

# THE LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 3, 1978

Time: 2:30 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Before we proceed I should like to draw the members' attention to the gallery, where we have 15 students of Grade 9 standing, of the River Heights School, under the direction of Mrs. Johnston. This school is located in the constituency of the Honourable Member for River Heights, the Minister in charge of the Task Force.

On behalf of all members, we welcome you here today.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, I'd like to table the First Annual Report of the Manitoba Municipal Employee Benefits Fund for the year ended December 31st, 1977.

**MR. SPEAKER:** The Honourable Minister of Consumer Affairs.

**MON. EDWARD MCGILL (Brandon West):** Mr. Speaker, I wish to table the Annual Report of the Department of Consumer, Corporate and Internal Services, for the year ending December 31st, 1977.

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

## SPEAKER'S RULING

**MR. SPEAKER:** Before we go into the Question Period, on Monday I took under advisement, consideration of some of the statements made by a member of the Assembly, while in debate. I have had these checked out, checked the . . . well perhaps on the Reconciliation Statement, Mr. Speaker, but if it's contained there it's explained.

Mr. Speaker, the total amount of carry-over authority into this current year that has been the subject of some question, is \$30,392,000, and that includes the departments primarily Agriculture, Education, Mines and Resources, Municipal Affairs, Northern, Renewable, Transportation, Public Works, Tourism and the Special Municipal Loan Fund. Mr. Speaker, they're all broken down here for the information and purposes of the Members of the Legislature.

Mr. Speaker, I suppose there's been some sort of speculation or question as to whether or not this was included in projecting the amount of spending increase. I would point out that this figure of uncommitted authority is one that traditionally always carries through, and if you were to consider it, you would have to consider it in the year before you're comparing with as well, in which case, if you look at last year, the uncommitted or the carry-over authority was \$43,800,000 higher than the amount that has been indicated here. If you want to compare the increase in spending on that basis, the projected increase is not the 3.8 percent or 4 percent on combined accounts that we have indicated in the Budget, but would be approximately somewhat less. It would be of the order of 1.9 percent, somewhat less, Mr. Speaker, than would be the case that we have before us, which is to show the Estimates as they are, and which are shown on the traditional basis. Mr. Speaker, I'll distribute that without further comment for the Members opposite.

The Member for St. Johns also asked for the . . .

**MR. SPEAKER:** Has the Member a point of order?

**MR. SAUL CHERNIACK (St. Johns):** No, I wanted to inquire whether I could ask a supplementary on the question that has just been answered and complete it. There are other questions to come. I don't care on the procedure, but it seems logical to . . .

**MR. SPEAKER:** I would hope that the Member would allow the Minister to complete his statement.

**MR. CRAIK:** Mr. Speaker, without anticipating the question, the second part deals with the same topic. That was the Uncommitted Authority as of November 1, 1977 and this I will table for the information of the House as well. As will be indicated here carried forward from April 1, 1977 a year ago into the previous current year, in total the previous vote plus the new vote last year brought to a total of \$221 million of capital, and the allocations to October 31, 1977 had been \$159 million with the uncommitted as of November 1 being \$61,776,000.00. There was allocations after that of approximately \$22,948,000, so that the Uncommitted Authority at March 31, 1978 was \$38,828,000,

Mr. Speaker, which under the new procedures that \$38 million will actually be cancelled at the end of this year because next year we won't have this difficulty or problem of not having capital shown. .

May I simply say that I want to thank the members opposite for raising these questions, because we couldn't have had a more solid case made for doing combined accounts and also for causing Capital to lapse every year, other than Schedule A. Because although this has never been in question in previous years, it seems to have been highlighted this year, and the reason that we are making the change is precisely the reasons that the members opposite raise: That it has been a somewhat illusory thing and it always has gone through from one year to the next and has been subject to the criticism of the Provincial Auditor.

So I want to thank the members opposite, even though it has caused some consternation at times, for raising the question. I think they have made a pretty good case for us now changing the rules which will take place at the end of this current year.

**MR. CHERNIACK:** Mr. Speaker, my supplementary question, after saying "You're welcome" is to ask how much of that \$30-odd million that was carried over as of April 1st, 1978, is expected to be spent in this current fiscal year?

**MR. CRAIK:** Mr. Speaker, of the \$30,392,000 probably most of it, if not all of it, will be expended. But of the \$38 million, if you're referring to the \$38 million that is uncommitted, there is no intention for that to be spent.

**MR. CHERNIACK:** Just to clarify, Mr. Speaker, the Honourable Minister of Finance says that there is \$68 million of authority in Capital still uncommitted — I believe that is his statement — of which \$30 million will be spent this year, thus adding to the deficit of \$114 million up to \$30 million would be \$144 million. Mr. Speaker, therefore is he saying that there will be legislation brought to cancel the unused \$38 million of which he has spoken.

**MR. CRAIK:** It could be, Mr. Speaker. It isn't necessary, but it could be. But to answer the first question, Mr. Speaker, the answer is, "No, you can't do that, because if you did you would be ignoring what you did last year. You would have to add 43 to last year."

**MR. CHERNIACK:** Mr. Speaker, just another supplementary. I will not enter into debate; that will take place in due course. But another supplementary. I am looking at the Summary Estimates of Expenditures and ask . . .

**MR. SIDNEY GREEN (Inkster):** Mr. Speaker, apparently the government side wishes to have this debated now according to the Minister in charge of the task farce. I would therefore, Mr. Speaker, ask that the House now debate this question.

**MR. SPEAKER:** The Honourable Member for River Heights, on a point of order.

**HON. SIDNEY SPIVAK, Minister without Portfolio:** On a point of order, Mr. Speaker, the honourable member spoke with reference to something I said from my seat. I just want to clarify that, Mr. Speaker. No matter how the members opposite would like to fudge or fuzz the matter up, the fact is we are trying to compare one thing to another. And, Mr. Speaker, that's all we are attempting to do.

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

**MR. CHERNIACK:** Mr. Speaker, I will not enter into debate with the Honourable the Minister who just spoke, and that's to my credit, I'd like a Brownie point for that, Mr. Speaker, a merit point from the Minister of Highways.

Mr. Speaker, my second supplementary was, in looking at the Summary Estimates of Expenditure and looking over at the second last column reading Carry-Over Authority, am I correct in assuming that the Minister asserts that this Carry-Over Authority is designated as such in the legislation, or is it just a portion of the General Purposes Carry-Over which the Cabinet, or whatever authority, whatever power there is in government, has allocated already in advance for these departments?

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

**MR. CRAIK:** Mr. Speaker, it is 30 out of roughly 68, the same way as last year's was 43 out of perhaps something under 100. As the member knows, there is this authority that rolls over from year to year. How much of it you use depends on how much you commit in that given year. What this does is, it commits 30 out of the roughly 68; last year you committed 43. Now, neither the 30 this year nor the 43 of last year are included in making any comparisons. If you do include them the percentage increase in our expenditures that are calculated would be less than what's shown, not higher.

**MR. CHERNIACK:** Mr. Speaker, the Honourable Minister of Finance in his answers is inviting debate; he's inviting debate to challenge the fact that he has alleged \$114 million deficit without including the Capital Authority not spent. So my question —(Interjection)— The Member for Rock Lake is the most interested, apparently, in my question. I want to confirm with the Honourable the

Minister that the moneys therefore shown in the second last column, 1978-79 Carry-Over Authority, was General Purposes, and that the government allocated these amounts to each of these departments for expenditure this year. Also the fact that he can acknowledge that the balance of \$38 million unallocated is still available and will remain available as an authority in perpetuity unless this Legislature repeals that Act.

**MR. CRAIK:** Well, Mr. Speaker, with regard to the second question first, the \$38 million, as has been indicated, the entire procedure will be changed this year and there will be no carry-forward of Schedule B Capital, which is what this is, next year. This is the end of the line; it will lapse; all Capital lapses after this year, that's it. So the \$38 million, Mr. Speaker, if the \$38 million is not there next year the members opposite can say whatever they'd like to say, but there's no intent whatsoever to call on the \$38 million.

Now, Mr. Speaker, if there is added expenditures to be made the members opposite know that this is done by way of either Supplementary Estimates or Special Warrants, which are either dealt with in this House or filed upstairs if the House is not in session. But as far as this uncommitted, uncalled for, unused part of \$38 million, it is simply a figure that if it is there at the end of this current fiscal year it lapses; it will not be called on for future years.

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

**MR. CHERNIACK:** Mr. Speaker, may I ask the Minister of Finance to reconcile the fact that this short sheet shows an uncommitted authority as of March 31, 1978, which has just ended, of \$38 million which I think he said will not be spent, to reconcile that with a statement of a carry-over authority of 1978-79 as of \$30,392,000 as if that amount is not included in the \$38 million uncommitted authority as at March 31, 1978. Could he reconcile those two?

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

**MR. CRAIK:** Well, Mr. Speaker, what the member would have to do to get at the total is take the uncommitted amount, simply \$38,828,000 and the committed amount, which is \$30 million and he will come up with the total and I think the arithmetic will work out on the second small page that he's got there.

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

**MR. EDWARD SCHREYER (Rossmere):** Yes, Mr. Speaker, I'd like to ask the Minister of Finance if by his replies thus far he is meaning to say that for this one additional fiscal year there will be a utilization of carry-over authority in the order of \$30 million, approximately, leaving some \$8 million that will be lapsed — \$38 million. Can the Minister indicate whether then he has sought the necessary legal advice from the law officers as to whether this will require some amendment to The Financial Administration Act?

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

**MR. CRAIK:** Mr. Speaker, it would be a question of asking the Provincial Auditor as to how it should be dealt with, whether it should be dealt with in any formal way in the Legislature or not. Now, that being the case, if it were required to be dealt with it would be dealt with either at this session or the next session, if in fact it's required. But the fact of the matter is that as of the end of the 1978-79 year, there will be no Schedule B carry-over. There will be Schedule A, Self-Sustaining Debt, for Hydro, Telephones, and that category of debt but as far as Schedule B which is the Capital in question, there will be no Schedule B in coming years and if it's desired or appears desirable from the Provincial Auditor's point of view to cancel it in some formal way that will be done.

**MR. SCHREYER:** Mr. Speaker, I understand clearly that after the end of this fiscal year, 11 months from now, that except for Schedule A entries which are about six or seven in number, Hydro, Telephone, Water Supply Board, etc., which will continue under the Financial Administration Act to be able to carry forward voted, but unused authority, that Schedule B will be cancelled insofar as transferability from one fiscal year to the next. I've asked the Minister of Finance whether legal opinion has been sought as to whether this requires a change, an amendment, to The Financial Administration Act, naturally the Provincial Auditor would be consulted but in terms of what is required as to whether there need be any amendments to the Act still remains a matter of legal advice. I assume that will be sought because it is an open question as to whether or not that is needed.

My question to the Minister of Finance is to simply ask him once again to clarify whether in terms of transferring of voted but unused Capital Authority from last year to this one, that the amount of such transfer of amount for eligible spending, under the combined accounts system is \$38 million. — (Interjection)— I beg your pardon? Yes, \$38 million.

I should like to ask the Minister of Finance then whether he can explain on what basis we were advised on budget night that the deficit consisted of, well initially \$125 million plus \$100 million on

Wednesday, May 3, 1978

Capital Account for a total of \$225 million later revised from \$225 million down to \$181 million on the basis of \$81 million on Current Account and \$100 million of Capital Account spending.

But my question to the Minister of Finance is: If there was \$43 million unexpended in Capital Account, then how does he reconcile that with the statement that there was \$100 million spent from last year's Capital Vote Authority?

**MR. CRAIK:** Mr. Speaker, the amount shown here as uncommitted authority as of November 1 is \$61,776,000 and as far as the other figures are concerned, I'll have to check that out. I'm not sure that the reference there was completely to Schedule B capital and in that case, I'll have to double-check that.

**MR. SCHREYER:** My last supplementary then the Minister can take as notice because it is a matter of some detail. My question then flows from the second of the two reconciliation sheets which he handed around this afternoon. My question is: Can the Minister check to find out if, as given here, uncommitted capital authority not spent at the end of October was \$61 million, then on what basis were we and the public advised that \$100 million of Capital Account spending had taken place? Clearly, the two figures cannot be right. Depending on which figure is correct, Sir, there's a \$40 million differential in Capital Account as well as a \$40 million differential in Current Account.

**MR. SPEAKER:** Orders of the Day. The Honourable Leader of the Opposition.

**MR. SCHREYER:** I ask the Minister of Health whether he can advise whether he has been made aware that some of the hospitals in the province have, for reasons of internal economy, proceeded to a policy of having change of bed sheets on a once a week basis except for emergency.

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

**HON. L. R. (Bud) SHERMAN (Fort Garry):** No, Mr. Speaker.

**MR. SCHREYER:** Is the Minister indicating that he has not been advised or that he has checked and it is not correct?

**MR. SHERMAN:** Mr. Speaker, the Honourable Leader of the Opposition asked me whether I was aware of such a situation. I am not aware of it. My department officials, the Commission, the Manitoba Health Organizations, health professionals throughout the province and I are in touch on a regular, continuing ongoing basis on all matters related to current hospital budgets and current hospital deliberations and consultations with respect to their budgets. I believe that I'm being kept reasonably well and fully informed of the situation. I've not been apprised of any such situation; I can only assume at this juncture that it is a possibility in the conversational level that has been discussed or suggested in casual conversation, informal and unofficial conversation. There are a good many ideas and suggestions and criticisms of that kind being bandied about. The existence of them is not factual or actual, Mr. Speaker. Insofar as I've been able to monitor the situation, the hospital boards and administrators who are wrestling with the problem have taken a positive approach to it and most are doing well.

**MR. SCHREYER:** Mr. Speaker, I will simply take note of that reply and ask this question: Does the Minister find it acceptable that there should be a regime being followed, or a practice being followed, in at least one of the Greater Winnipeg hospitals whereby, except for personal emergency reasons, that bed sheets are being changed only once a week?

**MR. SHERMAN:** Sir, if that is the situation, if it is a fact, if it is brought to my attention, I want to assure my honourable friend I would not find it acceptable. If my honourable friend has information that that is a fact, is a situation, if he wants to be helpful in this situation, he can provide me with that information. I have not had any such information. I can only go on the reports and the information that I'm getting daily from hospital administrators.

**MR. SCHREYER:** Mr. Speaker, I certainly am prepared to comply with the Honourable Minister's request. I'm not in a position to suggest this is a widespread practice. I am in a position to suggest that it is the practice in at least one Greater Winnipeg hospital as relayed to me by two patients and one registered nurse.

**MR. SHERMAN:** Mr. Speaker, would the Honourable Leader of the Opposition care to identify the hospital to me outside the Chamber after Question Period?

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Mr. Speaker, I have a question for the Minister responsible for the Public Service Commission. Last week I believe she indicated that at that particular time there was some 328 civil servants who had received dismissal notices. Can she indicate at this time if there have been any further outright dismissals or layoffs in the public service in the province and then could she also

report if she anticipates different departments also undertaking further dismissals and layoffs of public servants?

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

**HON. NORMA L. PRICE (Assiniboia):** Mr. Speaker, there hasn't been any further dismissals to my knowledge nor are there any anticipated.

**MR. AXWORTHY:** Mr. Speaker, I would then ask a question of the Minister of Agriculture whether he can confirm that in his department, the Water Resources Division, the factory at Transcona have received further layoff and dismissal notices for June 30th.

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

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, it is the Water Supply Depot that is being phased out that I think the Member for Fort Rouge is referring to. There could be some possible layoffs at that time with the closing down as far as the rural water supply depot is concerned.

**MR. AXWORTHY:** Mr. Speaker, I would ask in a supplementary back to the Minister responsible for Public Service Commission, can she tell us when she intends to set up some form of information between herself and her colleagues so as to determine when in fact layoffs or dismissals are contemplated and that, therefore, proper measures and benefits can be established and proper machinery worked out with the Public Service, the Manitoba Government Employees' Association, to ensure that there isn't undue hardship or difficulty experienced by these people?

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

**MR. PETER FOX:** Mr. Speaker, can the Minister of Labour inform the House whether she has been apprised of the layoff at Calvert's Distillery in Gimli?

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

**MRS. PRICE:** No, Mr. Speaker, I haven't been advised of it.

**MR. FOX:** Would the Minister undertake to check with her staff to see whether any workers have received notice?

**MRS. PRICE:** Yes, I'll be glad to, Mr. Speaker.

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

**MR. GREEN:** Mr. Speaker, I'd like to direct a question to the Honourable Minister of Finance. Can the Minister of Finance advise me whether the guarantee of roughly \$3 million that the government is making with respect to Canadian Co-operative Implements, is a figure which is shown in the printed Estimates which are before the Legislature at the present time?

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

**MR. CRAIK:** Mr. Speaker, I'll have to take that question as notice.

**MR. GREEN:** Mr. Speaker, a supplementary estimate — a supplementary estimates — that's a proper designation of my question, Mr. Speaker.

Mr. Speaker, can the Honourable, the Minister, advise me whether the cash needs of Manitoba Forestry Resources Limited, necessitated by a \$14 million loss on last year's operations, are provided for in the current Estimates that are before the House?

**MR. CRAIK:** Mr. Speaker, I'll have to take that question as notice as well; and I think that on that question and others — on these two questions — they are pretty well going to have to be dealt with with the staff of the department available for those kinds of answers.

**MR. GREEN:** Mr. Speaker, I would just like to check, Mr. Speaker, with the Minister of Finance, if my calculations are correct, that we have totalled \$6 million in additional expenditures which are not in the Estimates, up to last week, plus \$3 million to CCIL, plus roughly \$10 million to ManFor, plus \$2 million to the Student Employment Program which he said would have to be in Supplementary Supply, which adds \$15 million to the \$6 million, which was accumulated in one week, to the Spending Estimates which are not before the House at the present time.

**MR. CRAIK:** Mr. Speaker, the member is making a supposition in that question, which will have to be checked out.

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

**MR. JAY COWAN:** Yes, Mr. Speaker. My question today is to the Honourable Minister of Health. Can the Minister confirm or deny that the Thompson General Hospital has received a substantially lesser percentage increase in funding than did other northern hospitals? And if so, can he indicate the reason behind that substantially lower increase?

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

**MR. SHERMAN:** Mr. Speaker, I can't confirm that it's substantially lower necessarily than other northern hospitals, but it is lower than some other hospitals in the province. The mean is 2.9 percent in terms of budgetary increase. Some hospitals have been granted an increase in excess of that. Some have been granted one lower than that. A lower one has been imposed at the Thompson General Hospital — I believe it's in the neighborhood of 1.7 or 1.9 percent.

It was based on the Manitoba Health Services Commission's assessment of staffing patterns at the hospital, the budgetary status and position of the hospital in recent years, and that was the foundation for the decision.

I might say to the honourable member that I have met with the superintendent of the Thompson Hospital, Mr. Clifton, in Thompson, and I'm also meeting with him again today — later today — in Winnipeg.

**MR. COWAN:** Yes. Would the Honourable Minister then, while he's having that meeting, undertake to investigate allegations that the Thompson Hospital received that lesser percentage because it was — and I quote Thompson sources in this instance — because it was operated inefficiently. I would suggest that there is a matter of some urgency here. Such statements are causing considerable and negative impact on worker and employee morale at the hospital.

**MR. SHERMAN:** I would certainly undertake to investigate that as requested by my honourable friend, Mr. Speaker. But I would also just say at this juncture that the Manitoba Health Services Commission — as the Honourable Member for Churchill recognizes — has a job to do. The decision-making in this area — in the area of determination as to efficiencies and budget justifications — is really the responsibility of the Commission, not the responsibility of the Minister.

I have to rely on their expertise and their guidance in that area. They came to that conclusion, but I will certainly check it out.

**MR. COWAN:** Yes, Mr. Speaker. I would ask the Minister then if he can confirm that the Special Care Unit at the Thompson General Hospital has been disestablished as a result of the lack of sufficient funding for the hospital. And can he also indicate what increase in patient transportation costs, for emergency transfers to Intensive Care Units of critically ill patients from Thompson to Winnipeg, will occur as a result of the closure of the Special Care Unit in Thompson?

**MR. SHERMAN:** Mr. Speaker, the second question of the Honourable member would verge into the realm of the highly speculative because there has been no result of the proposed closure as yet. But I'm advised that the Special Care Unit at Thompson General was being utilized only to a 35 percent capacity; that it was — in the words of spokesmen on the site — tying up eight nurses who could be better used or at least as well used in other areas of the hospital; and that when, as and if cases in the hospital require special care, there can be components of that unit reactivated to look after them on a patient by patient basis, rather than tying up the nurses and the unit on a full-time basis for a 35 percent usage level.

As far as transportation costs are concerned, we would have to see what the result of that would be. But I'm advised, thus far, that none are expected, none is anticipated, because there could be a part of the Special Care Unit reactivated whenever necessary.

**MR. SPEAKER:** The Honourable Member for Churchill has had three questions. The Honourable Member for Selkirk.

**MR. HOWARD PAWLEY:** Mr. Speaker, my question is directed to the Minister of Tourism and Recreation. In view of the announcement by Mr. Leo Cholakis, that he intends to sail to London in order to arrange for a purchaser for the M.S. Lord Selkirk, in order that the boat may sail in warmer waters, and in view of the fact that this is a loss of an industry and a tourist attraction in Manitoba, could the Minister advise what steps he intends to undertake, immediately, in order to prevent this departure?

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

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, to be quite frank about the matter, the Manitoba Government does not want to buy that particular boat back.

**MR. PAWLEY:** Mr. Speaker, my question did not relate to the acquisition by the Manitoba Government, but what steps — what steps — does the Minister intend to undertake in order to

encourage the owners to retain the boat in the Province of Manitoba?

**MR. BANMAN:** Mr. Speaker, we don't plan to undertake any subsidies or anything like that. We would like to, of course, see the boat operate here, but the boat now belongs to a different individual. The operation costs were such that we felt they were too much for the taxpayers to bear, and hence we sold the particular item.

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

**MR. BEN HANUSCHAK:** Yes, Mr. Speaker. In view of the fact that the 1978 Vacation Guide will not be available for another month and this is the time of the year when the tourist season is beginning to accelerate, in the interim would the Minister insert a correction in the existing Guide to indicate that the cruise ship Lord Selkirk, formerly owned by the people of Manitoba, was given away to the Onassis of Manitoba, and will not be sailing on the waters of Lake Winnipeg as indicated in this book.

**MR. SPEAKER:** Order please. Order please. May I suggest that the member's question may be in error in that it may contain some inaccuracies. The Honourable Minister of Tourism.

**MR. BANMAN:** Mr. Speaker, I think from time to time there are things that change, and if the member will look at the front of the book, I think his name is still in the book too, and I'm not inserting any changes on that either.

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

**MR. HANUSCHAK:** Mr. Speaker, the Honourable Minister is absolutely correct, and as I had indicated in the introductory words of my question, that in view of the fact that the new Vacation Guide will not be out for one month, as per the information received from his department, would he, for the benefit of the colleague of the Honourable Minister of Highways, which he did not understand the first time around, in view of that fact that his publication will not be out for another month, would he make an appropriate correction in the existing one to give the tourists the correct facts.

And a supplementary, Mr. Speaker, would the Minister advise his staff that answers a telephone number, HECLA 41, which is the number to which callers are directed who dial the directory listing for Venture Manitoba Tours, to discontinue giving publicity to Mr. Cholakis' firm.

**MR. BANMAN:** Mr. Speaker, the first question, the new Guides will be coming out very shortly, correcting several anomalies, such as having the previous Minister's name on it and having the boat registered in there. I will check into the other matter and see what kind of answering service, or what is happening with that particular problem the member mentions.

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. KEN MacMASTER (Thompson):** Yes, Mr. Speaker. I was asked a question yesterday by the Member for Rupertsland in relationship to the Norway House road. The road has been closed recently because of the thaw; they're working on it today, grading it and weighting it. We expect it will be open within a week.

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

**MR. BOSTROM:** A supplementary to that, Mr. Speaker. Does that mean that the ferry which provides a connection across the Nelson River will also be in operation in a week?

**MR. MacMASTER:** Mr. Speaker, there is some — I don't believe they're major, but there are some repairs to be made to the ferry, and the ice conditions at the moment wouldn't permit it. We expect that ferry to be in operation within three weeks.

**MR. BOSTROM:** Well, a supplementary question to a different Minister, Mr. Speaker. My question is to the Minister of Tourism with respect to the agreement which he had instructed his Deputy Minister to sign with regard to a condominium development in the Whiteshell. I would like to know why the Minister is taking so long to provide this report because it appears to be a cover-up of the facts and the truth behind this agreement?

**MR. SPEAKER:** Order please. The Honourable Government House Leader.

**HON. WARNER H. JORGENSEN (Morris):** There, Mr. Speaker, if you're looking for a question that is out of order, there is one right there.

**MR. SPEAKER:** Does the Honourable Member for Rupertsland want another question?

**MR. BOSTROM:** Mr. Speaker, I believe my question is in order, we've been waiting long enough for the answers.

**MR. SPEAKER:** Order please. The member's question is out of order. We have now reached the end of the Question Period.

## ORDERS OF THE DAY

### GOVERNMENT BILLS — SECOND READINGS

#### BILL NO. 14 — AN ACT TO AMEND THE INCOME TAX ACT (MANITOBA)

**MR. CRAIK** presented Bill No. 14, An Act to amend The Income Tax Act (Manitoba), for second reading.

**MOTION** presented.

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

**MR. CRAIK:** Mr. Speaker, in introducing this Bill for second reading I want to say that it embraces a number of the tax measures that have been either announced during this session, Mr. Speaker, or in the session held in late 1977, particularly with regard to the Income Taxes. The Bill is an important one and it provides some badly needed relief for individual Manitobans and small businesses, relief which, in our view, is long overdue and, Mr. Speaker, aimed at rekindling both investor and consumer confidence in Manitoba.

The Bill contains four important changes, and I propose to deal with each of them in turn. First, Mr. Speaker, it contains the legislative authority for the province to take advantage of the Federal Government's financial compensation for the two-thirds of the temporary provincial sales tax reduction. As indicated in the Budget Address, the federal compensation takes the form of a transfer of personal income tax room, and cash from the Federal Government to the province with — and this point deserves particular emphasis — no change in the total personal income tax liability facing individual Manitobans. This point I would perhaps make special mention of, Mr. Speaker, because it's pointed out in the April 10 Federal Budget as follows, and I quote: "This transfer will be made through a temporary abatement of federal personal income tax. There will be no change in the taxpayer's total tax liability." And that's from the Federal Budget of April 10, Page 53.

Under the provisions of Bill 14 the province will receive the precise amount of the federal abatement to the actual cent. So, to repeat again, the mechanics of the transfer ensure that there is no change in the tax liability facing individual Manitobans. Also, there will be no extra calculations for taxpayers, they will be made automatically by the federal computer facilities.

In addition, the Bill includes authorization for the province to enter into an agreement with the Federal Government for the calculation and payment of an additional cash amount to bring Manitoba's compensation closer to the actual cost of the portion of the sales tax reduction for which the Federal Government is committed to reimbursing the provinces.

In response to questions earlier in the session, and as the Acting Minister of Finance noted last week, the Federal Government proposes to eliminate any net increases in equalization which Manitoba might receive as a result of absorbing the special abatement and reducing the sales tax.

Mr. Speaker, the retail sales tax cut means about \$60.5 million to Manitoba consumers and businesses and over \$1.1 billion for all Canadians. The measure is of significant and immediate benefit to the retail and wholesale trade sector in expanding its market potential and it constitutes a badly needed shot in the arm for the goods producing sector which will be called upon to increase output and employment in response to the improved retail sales performance.

Mr. Speaker, the second major feature of Bill 14 is the two point reduction in the Manitoba personal income tax. This reduction is an essential step toward helping to restore competitive balance in the Manitoba tax system relative to those of other provinces. And Mr. Speaker, a table of those amounts are contained in the Budget, but I'll redistribute a table of the comparison in that regard. We are confident that this reduction together with the tax savings from indexing of the personal income tax system and related increases in cost of living tax credits will make the Manitoba system more competitive and in line with other provinces of Canada.

I should also refer members to the table released last November when personal income tax reductions for 1978 were announced, which showed that the largest percentage savings, in terms of the reductions, accrued somewhere along the following lines: 24 percent reduction for a family at \$10,000; 11 percent reduction at \$15,000; 9 percent at \$20,000; 8 percent at \$25,000; and 6.5 percent at \$50,000.00.

Now for the edification of the members further, I will arrange for extra tables of these comparisons to be distributed as well.



The third major facet of Bill 14 is the proposed reduction in the corporation income tax rate facing small businesses. Again, Mr. Speaker, this reduction is long overdue. Small businesses in our province have laboured too long under a taxation and fiscal regime geared more to how much tax revenue could be skimmed off than to fostering an atmosphere of growth and development.

Under the provisions of this bill, Manitoba small businesses will have their provincial corporation income tax liability reduced to from 13 percent taxable income to 11 percent of taxable income, effective January 1, 1978.

This measure, which will reduce the corporate tax burden facing small businesses by approximately \$4 million this year, will provide savings of up to \$3,000 for each small business. The reduction will apply to all income eligible for the Federal Government's small business deduction. The effective 11 percent rate facing these businesses means that no such businesses will face a lower rate in western Canada.

There were questions earlier, Mr. Speaker, in the session regarding the application of the reduced rate on small business income. I believe the Member for St. Johns raised the question of proration. It's the province's intention to have the reduced rate apply on all eligible taxable income earned on and after January 1, 1978. While no specific prorating provisions had been included in the legislation enacted by members opposite for the rate increases implemented in 1970 and the surtax introduction in 1976, and while inclusion of such provisions may not be absolutely necessary, we would propose to add a clarifying amendment during committee deliberations of the bill to confirm the prorating arrangements, lest there be any doubt.

The fourth major provision of this bill is the extension of the 15 percent Manitoba corporation income tax rate facing large businesses beyond the scheduled termination of the two percent surtax at the end of 1978. While we would like to be in a position to bring the large business corporation income tax rate more in line with those of other provinces the current financial constraints facing the Provincial Government in Manitoba render this impossible at the present time. However, as the financial situation improves, Mr. Speaker, this will be examined again at a later date. Unfortunately, we will remain about the highest in Canada in this regard.

The remaining provisions of Bill 14 are largely of a housekeeping nature. However, I will draw the attention to three of them.

First of all, in line with our announcement to continue the personal income tax surtax until the legislative expiry date of December, 1978, the bill proposes that the early termination option by Order-in-Council be eliminated.

Secondly, the bill includes a technical change requested by Revenue Canada to clarify the application of the phase-out provisions of the Manitoba low income reduction for persons in receipt of dividend incomes. The proposed change ensures that the benefits of the low income reduction are phased out at the same 50 cents for each dollar increase in taxable income above the same threshold levels which apply for other low income earners.

Thirdly, the bill also contains a change in the cost-of-living tax credit eligibility criteria for prisoners. Essentially what is proposed is that prisoners resident in jail for six months during the year, and at the end of the year whose living costs are largely borne by the public sector, will no longer be eligible to claim cost-of-living tax credits. Persons incarcerated for a period of less than six months during the year, and those not a resident in penal institutions at the end of the year, will not be affected by this change.

Mr. Speaker, all honourable members may also be aware that subsequent to the distribution of this bill the Federal Government took some long overdue action to control the excess charges exacted by income tax refund discounters. Under the federal legislation which was introduced on April 17th and received Royal Assent on April 20th, the discounter is restricted to a 15 percent discount rate — a rate which includes all tax preparation charges, accounting charges and so on, which a discounter may levy. This contrasts with the provincial legislation, Section 58.1 of the Income Tax Act, which stipulates a five percent discount rate and apparently excluding reasonable preparation charges, accounting fees and so on.

We have been advised that the inconsistencies between the federal and provincial legislation may result in some problems of enforcement. In light of these it may be necessary, before this bill is completed here, as we gain more information, to introduce some modifications with regard to this particular topic.

Mr. Speaker, I look forward to hearing the comments on this bill because of the important nature of the tax reductions for the people of Manitoba. By and large, I would assume that at second reading that this bill would commend itself to the House.

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

**MR. CHERNIACK:** Thank you, Mr. Speaker. I'm minded to speak immediately following the Minister of Finance rather than to wait to study more carefully his comments, because I think I heard them clearly and I think that I can give him my reaction.

Firstly, may I just stop for a moment on the question of the discounters, which is not yet in the bill but may come about. I have been rather hesitant about pressing the government to give a report on what it's doing about its own legislation. The last time I asked the question rather tentatively I was told that it is being pursued by the Attorney-General's Department and I felt that I did not want to discuss publicly what may result in charges being laid against existing discounters, who admittedly and openly to the press . . . I'm pretty sure — Yes, I did see the representative or owner of one of them on

TV admit openly that they were not obeying the law. I have been waiting to see what the department and the Attorney-General's Department are doing about it, and I have seen nothing. And, as I say, I have been hesitant about raising it because I thought it might be about to be put into court. But I have heard nothing about being in court, and now we're well into the month of May when most of the discounters have probably already taken advantage of the people whom we were hoping to protect. I can only express regret, at this stage, and inform the Honourable Minister that I intend to press for a detailed response, either under his Estimates or if he brings in proposed changes which would be at committee stage, to press him on that, because I do think that the law was one which, as I recall it, was not opposed by the Conservatives and therefore I want to know what happened in this year.

Setting that aside, I welcome the final entry by the federal people into this legislation because we have acclaimed for a number of years that this is a matter for the federal law to deal with and I am glad that they are now indicating they are prepared so to do.

The other point about the incarcerated person, related to his tax refund, we will want clarification as to how that affects the wife and family of a person who may be incarcerated, to make sure that there is nothing adverse to their rights.

And secondly, it just occurs to me to wonder that if the person is not in jail on December 31st but has been in jail for 11 months during that calendar year, whether he will get his money, whereas somebody who tides over from one year to the other will be denied his, but we'll get clarification on that.

Mr. Speaker, I would rather deal with the overall and the first three changes being proposed as outlined by the Minister of Finance. One would expect that this might be a pre-election Bill. It deals with reduction in sales tax, it deals with reduction in personal income tax, it deals in reduction of corporate income tax. One might think that this would be a good pre-election tax bill. But we know full well that the sales tax reduction is meaningless because it's only a temporary one, for less than six months. Secondly, we know that this government is embarking on a policy of user fees, which will easily offset the savings that are being given to people in lower incomes be they in community college, be they in university, be they people who use the buses in the City of Winnipeg and elsewhere, be they people who live in personal care homes, and I am still waiting to see what will happen in connection with Medicare itself, so that we are now embarked on a program where this government in its user fees alone, will make sure to absorb every penny that the low income and middle income people will be saving by this supposed reduction. I must for a moment recall to Honourable Members who avidly watch the Provincial Affairs program which I think is on Saturday evenings somewhere around News time, and who, therefore, may have seen the Honourable, the Legislative Assistant to the Minister of Finance, that is, the Member for St. James, talk to — I really don't want to offend the other person to whom he spoke but for the moment I don't recall who that person was and it's not because he wasn't photogenic, but because he didn't make an outrageous statement. —(Interjection)— The Honourable Member for Pembina. Then if he was the one, he certainly adorned the TV set very much, but he did not make the outrageous statement which the Member for St. James, in my opinion made. They were talking about one of the great things already done by the Conservative government, and the Member for St. James said, why we are about to reduce the income tax by 2 percent. That's a very meaningful thing. Why, he said, I have calculated in the reduction in taxation of a person earning a gross of \$10 thousand - married, with two dependent children, his reduction is a 24 percent reduction. Mr. Speaker, I didn't believe that. —(Interjection)— You thought the same figure used by Minister of Finance. . . .

Do you know, Mr. Speaker, that the implication left by the Legislative Assistant to the Minister of Finance and apparently left by the Minister of Finance, is that the measure by the government by the Conservative government of Manitoba has reduced taxation of the person earning \$10 thousand gross - married with 2 children, by 24 percent. Mr. Speaker, I didn't believe that, because both his Legislative Assistant and he today, made the statement in relation to a 2 percent reduction in income tax. I knew that no person grossing \$10 thousand a year can pay so small a tax that a 2 percent reduction in tax points would be 24 percent of his taxes.

So, I walked over to my friend, the Member for St. James, and I said, "Where did you get those figures, I can't figure them out?" "Oh," he said, "Well the 2 percent reduction is worth \$13.00 and the result of indexation is about \$57.00 and the total is \$69.00 and that makes up 24 percent of his tax." Mr. Speaker, I've been sitting with this written on this Bill and wondering about the nerve that any person would have to talk about a 2 percent reduction and say we the Conservative government, by implication or by direction, saying we reduced the tax by 24 percent when the largest portion, \$57.00 out of \$69.00 — and these are figures given to me by the Member for St. James and I've not verified them — \$57.00 out of \$69.00 which is probably 90 percent or 80 percent of that reduction is indexation imposed on provinces in the Tax Collection Agreement by the Federal Government. They put in the indexation formula, the provinces have no choice but to accept it, unless the provinces wanted to bring in their own selective form of tax reduction which we did as a New Democratic Government when we brought in our Tax Rebate programs. But, there they are saying 24 percent for a person earning \$10,000 gross, implying and wanting us and the press and, therefore, the people of Manitoba to believe that this 2 percent reduction is so great for the low income earner that they're saving 24 percent of the income tax. That is really, really wrong. I don't want to use the extravagant expressions that I'm often wont to do, because the mere fact that they do it is enough and doesn't have to be described in terms that could be thought of to use. So, Mr. Speaker, that deals with the 2 point reduction in income tax.

The corporate tax reduction from 13 percent to 11 percent means that a small corporation, which I

believe is a corporation with, I don't remember, I think it's assets — it's accumulated income over a period of time — has to equal some \$750,000 before it becomes a large company. I may be wrong about the formula but let's say what is generally accepted by the economic climate of Canada considers a small business, let us say a small business which only profits \$50,000, and don't forget that's after payment of salaries. So after payment from management, after payment of directors' fees, after payment of all allowable expenses, after depreciation allowances, after all travel allowances that are accepted by the Income Tax Office, and then is left with a \$50,000 credit, used to be called on to pay \$6,500 of Manitoba tax, and now will be called on to pay \$5,500 in Manitoba tax. Are my figures correct? My arithmetic appears to be right. So it means that a firm which earns \$50,000 will, after tax, be left with \$44,500 instead of \$43,500.00.

Mr. Speaker, it's going to take a few minutes, but it reminds me of an old story about the concept of tithing, the contributing of 10 percent of a person's assets to a worthy purpose. The way it was taught in some cases, was, say a shepherd with his sheep who was expected to give 10 percent of what he had, his tithing, was told to have a gate and to have the sheep go through and count them all. One for me, two for me, three for me, four for me, five for me, six for me, seven for me, eight for me, nine for me, the tenth can easily be spared because it's only a tenth.

And in this case, these people that we speak of with a \$50,000 income, which is considered low income, will count up to \$44,500 instead of \$43,500 in order to say the balance will be paid to the people of Manitoba to be used for joint purposes.

Mr. Speaker, I move now to the sales tax reduction and I bring to your memory the protestations we heard after the announcement was made, gleefully made, that we are reducing sales tax by 3 percent for the next six months and we are getting 2 percent from the Federal Government. Now we don't really approve of the way they did it but we are glad they did it. I think that's what the Budget Speech said. — (Interjection) — Yes, the principle is wrong. And then the four premiers, the Western Premiers, two Conservative, one indefinitely — I don't know how to describe him exactly — one New Democrat, meet together and the four of them holding hands together say, "Oh, we deplore very much the way this was done." And that includes Premier Blakeney for whom I have the highest regard. I believe that he is one of the top premiers, not only today in Canada but for the period of time that he has been a premier, one of the top, most efficient, capable people. But, Mr. Speaker, I don't hesitate to criticize him when I believe it's correct so to do and I criticize him for going into the same lap with the other three premiers of Western Canada to have such an indignant discussion about what they did and what we did.

The fact is, Mr. Speaker, that if it had not been for Quebec we wouldn't be able to say, "Look what you could have done." We could have told them what they could have done but now we can say, "Look what you could have done." And if the four Western Premiers had stood up to the Federal Government the way they did in Quebec then that law would not have been passed so easily and not so readily and there would not have been that kind of political playing around by the Federal Government, and the money still would have come in in one form or another as it's going to come in Quebec.

So, I have to tell the Minister of Finance, they jump too quickly at the snap of the whip of a Liberal Government, complaining bitterly, "Those Liberals are forcing us to do something." They sold out, Mr. Speaker, that's all, it was a sell-out. They didn't have to take the 2 percent but it was money and, you know, you don't brush money aside that easily but it doesn't come very gracefully and I include the four — I would say all the four premiers — it doesn't come gracefully to say, "Yes, we'll take it; you're a terrible people for forcing it on us." Mr. Speaker, we've had a discussion in the caucus room, this is not a caucus meeting so I won't report on a caucus meeting, but in the discussion room several of us were talking and there was a prediction — this will make a big difference to the economy of Manitoba, this 3 percent reduction for six months will make an appreciable difference. Mr. Speaker, I don't believe it but others in our caucus did, so maybe it will. Well, I am informed that when Ontario did their dramatic reduction from 7 percent to 5 percent for a year, it didn't make much noticeable difference and I challenge the Minister of Finance, when he gets up to close debate or to have one of his colleagues tell us what factors he will use, what economic factors he will use to indicate the success or failure of this program, because if he is able to show us that there was a success in the program by a reduction of 3 percent for six months we may say, "Hey, how about another six months at 3 percent?" or we may say, "Reduce the 2 percent," or we may say, "Don't bother again because there's no appreciable thing." So I think he owes it to us, as the person responsible for measuring the economic welfare of this province, to tell us the factors that he will use to measure whether or not it was a good thing for the economy.

What has been suggested is that it may be a good thing to the people who have limited means, who will have a little bit less, 3 percent more cash available to buy goods that they would not otherwise have bought. That's the other side of the coin. I don't believe anybody is going to rush out and buy something they wouldn't have bought otherwise just because they got a 3 percent reduction, especially when the prices aren't controlled anyway and that reduction might be absorbed by the vendor. I don't believe that whether you buy a \$10,000 car or a \$5.00 pad of writing paper — no that's pretty expensive — a \$5.00 shirt, that you will proceed to buy it now when you wouldn't have bought it when it cost 3 percent more. I don't believe that. However, it's more possible that a person who bought a \$5.00 shirt — (Interjection) — the Minister of Education is trying to tell me something about

shirts — but if his shirts cost \$5.00 then he and I shop at the same place and therefore we will have saved 15 cents as a result of this reduction so that that 15 cents will make it possible for us to go out and — I'm not sure I'd know what to do with a purchase of 15 cents but, you know, it may have some meaning.

Mr. Speaker, I proceed now to talk about these exciting three steps, the fourth — the extension of corporate income tax, I have not yet heard quite the rationale behind it, I believe that at the end of this calendar year it will be dropped. I'm not quite sure about it. The Minister of Finance reacts questioningly about it so I'm not sure. Let me just say, I have not studied that aspect of the tax measure so I will let that go until I've had an opportunity to look at it.

So I refer to the three measures: (1) Sales Tax Reduction, (2) Income Tax Reduction, (3) Corporate Tax Reduction. I did not say, but need I point out that a person in a high-income bracket — and I think a person earning \$25,000, \$30,000 is in high-income bracket, others may disagree — will be saving an estimated what? \$300 on the 2 percent reduction — substantial anyway. A meaningful thing.

Now, Mr. Speaker, I have to tell you that if I were in a category of \$25,000—\$30,000 and I had \$300 extra, \$400 extra, I would know where to spend that money. Unfortunately, I might be inclined to spend it on a trip outside of Manitoba or Canada even, that's a possibility. Or I might decide to invest it in — I hope a government bond — but other ways — (Interjection) — an RRSP in order to postpone taxes even further, that's true, Mr. Speaker. If they take their saving and they put it into an RRSP, then that saving in itself reduces their taxation overall and postpones it indefinitely. There are so many gimmicks that tax lawyers and tax accountants gleefully laugh at all these changes.

Mr. Speaker, the most meaningful part of this bill is that it's going to reduce the revenue of the Province of Manitoba at a time when the Province of Manitoba is heading into deficit positions, both on Current Account and Capital Account. The Province of Manitoba, under the administration of the Conservative Government, is not only attacking the very foundation of the economic system by taking away a great deal of stimulus — why, my wife was talking yesterday to a young man who turned out to be an architect who is already looking for jobs outside of Manitoba because the architects are the first to feel the decision of the Provincial Government's decision not to proceed with construction — architects, draftsmen, everybody in an architect's office is now starting to look around — aside from all the people who know that their jobs are in jeopardy because of the Provincial Government's economic position. But, we know that they are budgeting for a deficit and in the light of that, they are reducing income tax. I will not stress the give-aways to the rich — the inheritance taxation — I'll let that ride; the people know about it.

But, Mr. Speaker, we have before us the printed Estimates of the Government of Manitoba. When the printed Estimates of Expenditure were given to us, Mr. Speaker, they were given to us at a figure of \$1,648,657,800 as the expected expenditure by the Province of Manitoba. Concurrently, it seems to me, if not concurrently then at the time of the Budget Speech, we were told of another \$2 million that is being spent. Mr. Speaker, I have to tell you that the Member for Inkster has given me a little list of what he has calculated will increase the deficit of the Province of Manitoba, and I'll give it to honourable members. There's some \$3 million to \$4 million in DREE; there's \$1 million in Snow Lake; \$1 million in Churchill; \$10 million in ManFor which is less than their deficit; \$2 million in Student Aid which is already included in what I've said; some \$3 million for CCIL — that's a potential \$21 million additional expenditure, a record of which was kept by the Member for Inkster.

But, those are his figures; those aren't the figures of the Minister of Finance — and he agrees with me. — (Interjection) — He agrees with me that the figures I've given are those of the Member for Inkster and he doesn't agree with the figures but, Mr. Speaker, let me deal with figures that the Minister of Finance has given to me and they're no secret, he gave them to the world today.

Mr. Speaker, this is a very interesting sheet which I have not yet studied fully but I remind you, Mr. Speaker, that when we had the Revenue Estimates, the Minister of Finance predicted a combined spending, combined Capital and Current, would result in a deficit of \$114,159,600 — let's say \$114 million, Mr. Speaker. You know what he told us today? There's going to be an additional \$28,392,600 to be added to the deficit. He shakes his head. And, Mr. Speaker, I'm only using his figures. Why did he give us figures if he didn't intend to make them clear and if he intended to make them clear, why does he give us figures he now denies? Or if he intended to distort, Mr. Speaker, we've had enough distortion.

Let me now mention the distortion. What shocked me, Mr. Speaker, was that the Honourable the Minister of Finance is responsible, I believe, for a statement issued by the news service on March 31st where he is quoted as saying that, "The Estimates call for combined expenditures," — listen to the words — "Combined expenditures of \$1,648,657,800," — (Interjection) — Well, no, no, no, I got to a billion and I started to respect it. So, the Minister of Finance said that we're going to have combined expenditure of \$1,600-plus billion — these figures include capital items. He says, "Inclusion of these budgetary capital items, a practice followed by other governments, has been recommended," and then he made these points: (1) Holding combined spending to a 2.9 percent increase has meant that Manitoba's percentage increase is far lower than that of any senior government this year — 2.9 percent increase.

And on Page 2, he then gives us a breakdown. "Here are the combined Main Spending Estimates," and lists them by department. I come into Agriculture which, so far, well, it was the first department where we found a planned expenditure in excess of what was stated by the Minister of Finance. The Minister of Finance said, in Agriculture, "The expected combined Main Spending Estimates," . . .

**MR. SPEAKER:** Order please. May I suggest to the Member that he keep within the text of the bill in front of us which is Income Tax.

**MR. CHERNIACK:** Mr. Speaker, we are talking about the principle of a bill which deals with the reduction of revenue. Mr. Speaker, the reduction of revenues, substantial revenues of the Province of Manitoba, will affect the deficit of the Province of Manitoba and I think it's important for us to know the impact of the bill we are discussing on the entire fiscal picture of the province. If you don't think so, I don't understand that but, Mr. Speaker, I'm talking about a deficit which is being added to by the legislation before us. I want us to know what is the extent of the deficit which is being added to by the bill whose principle we are now discussing. Therefore, I point out, Mr. Speaker, that the Department of Agriculture said they were going to spend . . . No, the Minister of Finance said, "Combined Main Spending Estimates, \$29,829,900," and the Minister of Agriculture after two or three days of pressing said, "Oh, but I'm going to spend an additional \$3.5 million." Mind you, he said, "I have authority to spend \$5.1 million more but I'll spend \$3.5 million more this year and the rest I will have available to spend in the following fiscal year."

**MR. SPEAKER:** Order please, may I suggest again to the member that he keep within the text of the bill in front of us.

**MR. CHERNIACK:** Mr. Speaker, I don't want to press you too hard on this, but I am talking about the principle of reduction of taxation; that's before us. Mr. Speaker, I'm saying that at a time when we have a deficit declared by the Minister of Finance to be \$114 million, and that today he has increased by \$30 million in the sheets he distributed, adds up to a total of \$140-odd million, that we should not be considering the gift inherent in this Bill of \$13 to a person earning \$10,000 gross income, with a wife and two children, and giving a gift in the hundreds of dollars to people of high income. That's the point I'm making, Mr. Speaker. If honourable members don't understand what they're doing, then let them find out more carefully that when I thought that the deficit was being increased by the — the cash deficit being increased by the Minister of Agriculture by \$3.5 million — it now seems to me that they're increasing it by \$30 million, and this they said will lapse.

You see, Mr. Speaker, peculiarly enough, the Minister and I are still in disagreement about the figures, and they are the figures he's given us. We've been dealing with these figures for a number of weeks now, and they are still not clarified. And the Minister of Finance is so concerned that he brought in sheets today, and in spite of his calculations and his protestations it seems to me that we are talking about a planned deficit of an additional \$30 million. It may not be spent, Mr. Speaker, but the authority is asked for, the authority is there, and the authority is something that the Minister is taxing people for. Because if he didn't need the moneys set out in his Revenue and Expenditure Statements, if he didn't need it, if he expects it to be less of an expenditure or more of a revenue, he should be budgeting on the basis of what he expects. And what he expects, he told us some time ago, was an expenditure of \$1,650,000,000, and now he's added — after the Minister of Agriculture agreed to \$3.5 million — he has now added additional moneys to what will be spent by this government. — (Interjection)— Now he says no, but the fact is that he has indicated the Carry-Over Authority and we know that \$3.5 million of that, as far as the Minister of Agriculture is concerned, is going to be spent in addition. If the Minister of Finance — I know he can't make a speech now, Mr. Speaker — if the Minister of Finance wants to ask me a question, I'll be glad to let him do so. If he wants his legislative assistant to make a speech and answer me, I'd be glad to listen, but don't let the Minister of Finance sit there and holler out what he thinks unless he wants to ask a question. — (Interjection)— Do you want to ask a question?

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

**MR. CRAIK:** My question, Mr. Speaker, to the Member for St. Johns would be — is that not the biggest distortion he has yet attempted in this House?

**MR. CHERNIACK:** Mr. Speaker, it was only when we got to the Department of Agriculture that we discovered an admitted 10 percent additional expenditure planned by the Department of Agriculture. We started pressing for information about the overall picture; we got it today, and today we find, and these are the sheets — it's not my distortion — it's the sheets which give Estimates of Expenditure, and if you look at the extreme right-hand column, a total of — what? — (Interjection)— \$1,679,000,050.00. 79 million, whereas the original allegation was 57 million. The difference is . . .

**MR. CRAIK:** Look at last year's.

**MR. CHERNIACK:** Mr. Speaker, the peculiar thing is that the Honourable Minister is talking about last year's — I, too, know that last year there was an Authority available, but Mr. Speaker, the thing that is distorted is the fact that when the Minister of Finance prepared his Estimates and said, we have a new system, he wasn't consistent. He said, why you did it last year. We're doing it differently this year except for carry-over, but after all, you carried over last year so we are justified in doing it.

I told the Minister of Agriculture that what he was saying was legally correct, but it was a distortion, when he admitted he was going to spend more than he said. And that's not my distortion; that's their distortion. Now, if the Minister of Finance can explain his total side there then let him deny

that the three columns are the expected Expenditure for this year. And if he denies that and says the first two columns are the only expected Expenditure this year, if he intends to lapse all there is in the third column totalling \$30 million, where will his friend get the \$3.5 million that he admitted to being preparing to spend?

So, Mr. Speaker, the distortion is theirs. If it is interpreted wrongly, it is because it's not clear, and they have not made an effort to make it clear even after it was brought to their attention that they were giving us not all the figures, just partial figures. And on that basis, Mr. Speaker, I have to say that this proposed legislation, giving to the rich, as they're following through when they gave to the rich last December, is just adding to the burden of debt being placed on people of Manitoba, even according to their figures — \$114 million is their declared combined deficit printed. We declare a combined deficit of \$114 million, a further burden on the backs of Manitobans, concurrently a reduction in taxation on the rich, and that's the way I interpret the Bill that's before us as being part of the overall program.

Carry with it the fact that every transit rider today is paying 30 percent, approximately, more than he was some little time ago, that the user fees that are being introduced by this government are attacking those in the lower income groups; they are changing Legal Aid — you know, Mr. Speaker, I haven't got a list before me, and I'm sure I'm omitting some very important additions in cost that are being passed.

Why, the Minister of Highways is sitting there, knowing full well that he has added additional taxation of two cents on every gallon of gasoline sold for use on our highways. Here we have a reduction in sales tax, here we have a reduction in income tax, both corporate and personal, and he has yesterday, I believe, attempted to justify an increase in taxation being planned to be imposed by his department and by his government. A two cent tax being placed into the General Revenues of Manitoba, which never went there before, which was used formerly to finance an insurance plan, which is one of the best, one of the two best in the world, probably — used to finance and to keep rates down, which produced a surplus in this year and could keep rates down except that he's lifting away some \$7 million from the ratepayers, the premium payers of that fine, thriving public utility which, as I say, is second, possibly to one, but second to no more than one in the known western democracies.

So there they are, there's the balance, Mr. Speaker. Reduced taxes for estate tax, inheritance tax, high income people — why, Mr. Speaker, I still haven't got the information from the Minister of Finance, which I alleged yesterday, and that is that their additional \$100 to be paid to pensioners is going to benefit the rich again, and not the low income people. I haven't got his figures yet; I don't believe he's going to deny them to me, I don't believe that he will not give them to me, I believe I'm going to get them. And when I get them I'll find out whether my prediction is correct or not, but meanwhile it is clear, from the figures already given to us, that we now have people in the \$20,000 and \$25,000 income bracket who will be getting a further reduction of up to \$100 on property taxation at a time when taxes, property taxes, are going up for all people, even those under 65 years of age.

So, Mr. Speaker, we are finding this kind of a picture being portrayed to us by the government, consistent with its ideals, consistent with its principles. The only criticism I had was that they cried "Poverty," and then soak it to the poor. Because they say we have inherited deficits, we have to reduce services to the poor. And that is what I fault them for, not for doing what they're doing because it's consistent with their beliefs, but for doing what they're doing and blaming something else altogether, having nothing to do with their beliefs. And that really is the main point that I would like to bring to your attention, Mr. Speaker. This balance, reduce for the rich, soak it to the — I don't mean just the poor, I mean the middle-income people, the people who are paying the extra two cents per gallon to the coffers of the province, the people who are riding the buses so they're caught both ways, and the people who have all these user fees fixed on them.

It has been drawn to my attention the Minister of Highways did apparently — and I wasn't there, so I don't know — but I'm told that the Minister of Highways expressed regret about the imposition of this extra two cents. The wording I've been given is that he would have taken it off, but he didn't trust the sellers of gasoline to reduce the pump price. Well, he's shaking his head, so I accept the fact that he didn't say it, because I wasn't there. I guess we'll have to check Hansard to see what he said. People on this side said he said it — I suppose that is the distrust of the free enterprise system that is inherent in many people in this province. But be that as it may, I don't want to finish on the note about what the Minister said or didn't say, he will no doubt be speaking on this issue and we'll find out what he believes rather than what he said.

But I do feel, Mr. Speaker, that we should realize that the Manitoba government, today's Manitoba government, is driving us into debt, further than it said it would when it brought in the Budget, when it brought in its Revenue Estimates, and told us the excess of Expenditure over Revenue would be \$114 million. We are gradually getting evidence that it will be greater, and — (interjection) — members opposite say, No, we're not. Let me tell them, the Minister of Agriculture agreed, that his Estimates will be up \$3.5 million. That's all I knew until this morning, Mr. Speaker. Now I've learned of more money. And we will learn of more, no question about it, there will be more.

I would not fault a government that is providing a service if it finds that the economic situation is such that it ought to be pumping the economy, but look how they're pumping the economy — 2 percent, 3 percent in retail operations for six months only, at a time of the year when normally we don't have as great unemployment as we have in the winter months, and what they're going to do in the winter months I don't know, Mr. Speaker. But surely in the summer months when there's normally more employment — why, the increase in unemployment alone since this government came into power, direct by the people they fired, direct and indirect by the services that they are gradually

withdrawing from the people of Manitoba in the light of their promises that we will not reduce programs, we will find fat to cut and we will then be able to finance all the programs formerly delivered by the New Democrats. And it's gradually being revealed, Mr. Speaker, that several Ministers have had the honesty and integrity of saying, "We have not found any fat in our department," so we have to cut programs. Mr. Speaker, that has been said and will continue to be said.

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

**MR. ENNS:** Thank you, Mr. Speaker. I am prompted to comment on the Bill at this particular time, principally because of the remarks of the Honourable Member for St. Johns. It saddens me that I have to make these remarks, because one can't help but believe that one now knows what the Member for St. Johns does, perhaps during the stealth of night when he's not otherwise engaged and occupied in this Chamber making speeches; he undoubtedly has joined his Marxist and Trotskyist and Communist friends in plastering the city and the construction plywood boards with the Red signs, "Make the Rich Pay," "Make the Rich Pay." I think that is the slogan that we're seeing on every lamp-post or on every plywood wall in and around the city these days, I suppose in preparation of the May Day celebrations. Well, what is sad about this is the effort on the part of members opposite, obviously, to make their whole pitch and their whole position in creating this kind of a class divisiveness. They are creating a class struggle where really none exists, or ought to exist in this country, and hope to, from a capitalist position, gain the kind of support they believe is out there for them and the majority of Manitobans.

**MR. FOX:** On a point of order, I would like you to direct to the Minister of Highways that he address himself to the bill and not address himself to inundo, which is contrary to the rules of parliamentary procedure. His whole preamble has been to attack the integrity of a member of this House and I think that is totally unparliamentary.

**MR. ENNS:** Mr. Speaker, the Honourable Member for Kildonan correctly described what I was saying as a preamble, and it certainly only was a preamble because I intend to address myself solely to the bill and to the reductions in taxes involved in the bill.

**MR. FOX:** On a point or order, Mr. Speaker. That is precisely what I brought to your attention and the member still continues. I wish you would rule on it.

**MR. ENNS:** Mr. Speaker, the preamble was to my main comments with respect to the principle of the bill, which is entirely in keeping when we discuss at second reading the legislation before us.

And what is the legislation before us? It calls for tax reductions. Now my honourable friends opposite wish to, and will continue to, name and give us that kind of a presentation with every tax reduction made by this government. But, Mr. Speaker, every once in a while it has to be said: The purpose and the reason for the tax reductions, and particularly the reason why they are so important to Manitoba is that thousands of Manitobans can enjoy a little more in terms of their take-home pay. It is questionable whether we would have a strike on our hands right now in the construction industry, that has complained all winter for being idle and unacceptably high unemployment levels in that particular industry, that now in the commencement of our construction season find themselves on strike partly because of the inordinate high amounts of taxation taken out of their pay cheques which should be theirs. —(Interjection)—

Oh, this government has made that a position. This government has made that position partly because we take that much extra money out of the pay cheques of all our nurses and hospital employees is why we have to find the extra dollars to keep those people reasonably happy in their employment. A nurse earning X-number of dollars in Alberta, as compared to a same nurse performing the same function in Manitoba, is out a substantial amount of money. And what the approach of this administration, of this Minister of Finance, is to bring into level and into some comparable degree of fairness within the tax structures of our sister provinces in this country. That is the announced goal of this government.

It is not the announced goal of this government to hand more money to the rich and take it from the poor. The announced government and taxation matters of this government is to try to bring back some balance, some levelling, some equity with respect to fellow Canadians in other jurisdictions. Why, Mr. Speaker? Why, Mr. Speaker? It's because we have a desire and an interest to at least have the capacity, Sir, of maintaining some employment opportunities in this province; of at least having the capacity to ensure that we will get the fair number of new job creating plant extensions being built in this province. Not like the situation of the idle Christie plant on Notre Dame Avenue when management of that plant, faced with an extensive renovation that was necessary in that plant, sat down coldly with their accountants and said, "No, it simply doesn't make economic sense for us to do that in Winnipeg, in Manitoba. We will do that in London, Ontario." Why, Mr. Speaker? Because to produce those biscuits in Ontario that firm was paying 33 percent less corporate tax than they were on Notre Dame Street in Winnipeg here.

Mr. Speaker, they can't have it both ways. They want the market system to have its full play in the

competitive and open market system. But, Mr. Speaker, you can't have it both ways.

So, my comments were not going to be at any great length. It's just that I defy and I am saddened by the fact that members that should know better, and do know better, would lead me to make the kind of opening remarks that I did about their nighttime activity. But it is so cheap, Mr. Speaker, and so divisive, and they are doing it coldly, calculatingly. You know, it's the cheapest type of populist politics being played by members opposite, particularly by the Member for St. Johns, but we are going to have to get used to it, Mr. Speaker. I just think that every once in awhile a member from this side is going to have to get up and announce clearly what the goals of the Minister of Finance, of what this government is with respect to taxation matters. And it is not to take money from some segment of our society and give it to other segments of society.

It is, Mr. Speaker, to bring about a degree of equity and fairness within our total tax system. It's the same thing that led Mr. Blakeney to take away the estate taxes. It's the same thing that led the Honourable former Leader and Premier of this province, the Member for Rossmere, to suggest at Gimli that certainly if he would have been re-elected they would have done away with the estate taxes, for precisely these reasons. But these piranhas of hypocrisy here, for a lousy cheap vote, because they don't care how they divide our people, rich against poor. It's economic racism at its worst. But if they think they want to divide this great province of ours that way, well, Mr. Speaker, let them divide it; let them divide it this way. I have that fortunate recent experience of knowing that, at least in my constituency, 61 percent of the people don't agree with that and don't accept that kind of philosophy, and in the province, generally, half or very close to it, 49 percent. So the greatest number of persons ever voting for a particular party are indicating that that is not the kind of politics that they wish to be played in the Province of Manitoba.16-04 Mr. Speaker, it must come at some disillusionment to honourable members opposite that in total, on the national scene, while the Conservative Party shows a remarkable resurgence in popular and public opinion polls, neck-and-neck with the ruling government, the Liberal Party, at 41 and 41 percent each, they — the people's party — slide down from 17 to 14 percent while they go around with their out-dated Marxist slogans about making the rich pay and soaking the rich. But they don't know, Mr. Speaker, what is happening and what they don't hold out to the people that they hope to lead is that we hope that economically speaking ever increasing numbers of Manitobans will want to be on the side of the well-to-do and the prosperous. In fact, so many of them are that they do represent the majority in this province.

That doesn't mean that we desist from our efforts unceasingly to make sure that the largest possible number of people can live in a way, and can spend as much as possible of their money in a way they want to do it, rather than through state-directed big brother government directed approaches and heavy-handedness in telling them how the government thinks they ought to be spending their money.

Mr. Speaker, I make no apologies at all for the kind of a position that the Honourable Member for St. Johns wants to push the Conservative Party on, with respect to their taxation measures — the one that we're dealing with here. It is, first and foremost, being introduced to enable Manitoba — Manitoba firms and Manitoba employees — to have at least the same opportunities for job creation, plant expansion and other developmental opportunities in this province as does an Ontario Canadian have, or a Saskatchewan Canadian have, or a B.C. Canadian have. That's what these gentlemen just lost total sight of.16-06 Of course, Mr. Speaker, it doesn't surprise me, because they have, and they have often indicated to that. The fact that businesses cannot operate competitively in a climate here in Manitoba doesn't concern them to the least, because they have on so many opportunities indicated to us that they, as government, would always be prepared to fill the breach to the point where we would not have a mixed economy anymore, to the point where it would be all state.

So, Mr. Speaker, I support the legislation that is before us, not on the grounds attributed to us by the Honourable Member for St. Johns, but on the grounds that it is slowly — admittedly slowly — moving us towards a situation where we compare more favourably and more equitably with other portions of the country, jurisdictions that we have to compete with to some extent in terms of attracting job creating industries and job creating opportunities in this Province of Manitoba.

**MR. DEPUTY SPEAKER:** The Honourable Member for Winnipeg Centre.

**MR. J.R. (Bud) BOYCE:** Mr. Speaker, I wasn't going to speak on this bill because I don't hold myself forth as a financial expert, but after that racist remark that this member, the Minister of Highways, is quite wont to use in election campaigns and others, drawing hammers and sickles around churches and all the rest of it, and especially with the Mennonite community acquainting this party with the communists and the Trotskis and everything else, and his personal attack on the former Minister of Finance, this speech of his is one of the seeds of revolution. I, for one, having studied Marx and a few other people . . . Oh, I'm sorry; I apologize. If anybody got past Grade 2, as far as you are concerned, you know, they wasted their time. I don't even know if you completed high school.

But nevertheless, it's idiots that make remarks like that, that make resolutions necessary. When he talks about equality, Mr. Speaker, even in their dealing with people in other areas — Seven percent for doctors who average about \$40,000 a year. That's \$2,800.00. At the bottom of the scale, the minimum wage, nothing. You want equality; you talk about equality — fair treatment. The member said that the former First Minister said at Gimli that he would withdraw estate taxes. That is not true. He said he would take a good look at it. Because I, for one, would have argued against it. I think I would have got a lot of support from my colleagues. Because the greedy people who have amassed



over \$500,000 in personal wealth and those little whipper-snappers who are snapping at it, if they are going to take their money out of the province, I say, "Good riddance to them." —(Interjection)— Sure, because you could have taken the money that you have given away and subsidized minimum wage; you could have taken money that you have given away and subsidized the price of milk; you could have taken the money you have given away and subsidized rents.

What do you expect the people in the City of Winnipeg to do? You people talk about farmers. You know nothing about the problems of the City of Winnipeg and the people that are living there. How in heaven's name do you think the 1919 situation came up? How do you think it came about? By bull like this, Mr. Speaker. But you are going to find it more difficult, even if you have increased your expenditures for police forces. You are going to find it more and more difficult in the 1970s and 1980s to impose that kind of philosophy. This garbage that was ruled in order here by the Chair sitting quiet and listening to him spew it forth. Distortion! We have the Minister of Finance tell the Member for St. Johns the greatest distortion you have ever seen, with his own figures. —(Interjection)— There is the Member for Roblin speaking from his brains again.

But, Mr. Speaker, I'm sorry; I couldn't let those remarks sit without challenging them. I'm sorry; I just had to say what I have said. But it's just absolutely ludicrous for that member with his act to come before this Chamber and when he can't destroy the argument of a person to attack the individual. In the darkness of night he's putting up Red signs on the posters. —(Interjection)— If Hansard has difficulty spelling that, I'll . . .

But, Mr. Speaker, it's just incredible that in this day and age anybody in the political scene could try and lay before his colleagues a bunch of gobbledegook, as just presented by the Minister of Highways.

**MR. DEPUTY SPEAKER:** The Honourable Member for St. James.

**MR. GEORGE MINAKER:** Mr. Speaker, I rise to support the bill that's before us and it's only natural that our colleagues on the other side would oppose such a measure, because we all know that what they have long believed in is that government is the big employer, government is the big owner and government is the big daddy.

The people on the other side — or our colleagues on the other side — forget, or don't like competitiveness. They fail to realize that as a province we are in competition with other provinces, not just in trying to sell our wares but more importantly, trying to keep our people, trying to keep our students, trying to keep our youth to stay here. They, Mr. Speaker, I would suggest, have another approach. They don't believe in reducing income taxes so that people who have decided to work and stay in our province, want to stay here rather than be encouraged to move out because the taxes are lower elsewhere. They would rather legislate that they would have to stay. That's what they would probably prefer.

I suggest, Mr. Speaker, that by reducing the tax that we are going to keep more people here. And it may well be that we'll keep doctors; it may well be that we keep lawyers here instead of them moving out —(Interjection)— But what the opposition doesn't realize, Mr. Speaker, is the type of money that we have invested in our students and our people when they go through our education system. What does it cost us to educate a student today? What? — \$25,000 by the time he graduates?

I suggest, Mr. Speaker, if our taxes are way out of line, they won't stay around here. They'll leave. And if we want to get on to the subject of Inheritance Tax which the Honourable Member for St. Johns briefly mentioned in his comments, I suggest to you, Sir, that the amount of money that would leave our province would continue to grow in leaps and bounds like it did under the former government. But they would like that because they still firmly believe that the government should own the businesses, the government should own everything.

The Honourable Member for Inkster firmly believes that the state should own everything. He even got to the point one time a few years ago, Mr. Speaker, and unfortunately you weren't here, and told the story about the individual who was walking around and could have all the land that he could walk around. When it finally got down to the punch line, what he really was leading up to, was the only amount of land that a person should own is when he was put in the ground. That was basically what it led up to.

Now, Mr. Speaker, when a former government had that particular philosophy and the people rejected it, it hurt them. —(Interjection)— And it hurts in the fact that this government is sticking to its guns and is starting to produce these particular policies that we said we would do. —(Interjection)— Exactly. When we started to reduce taxes, they don't like it.

The Honourable Member for St. Johns didn't like the fact that if a person has a \$10,000 taxable income this year, that he will pay 24 percent less provincial tax this year, and that's a fact. And that's a fact. —(Interjection)— Whether he wants to admit it or not, that's a fact of life this year.

Mr. Speaker, I have to also say to the Honourable Member for St. Johns, that he's trying to distort the figures. He's trying to distort the figures. What he knows — and he's a well qualified man when it comes to finances — that when we're dealing with Estimates, we're not dealing with the financial position of the province. The quarterly reports that will come out will deal with the financial position of the province. But what he is trying to say is, that because there is a carry-over of Capital, that it automatically can be added to the deficit the following year. That's exactly what he's saying, or he's trying to distort and say, that if there's \$30 million of carry-over Capital that he is automatically assuming that that will be added on to the deficit.

Mr. Speaker, if we follow the mathematics of the Honourable Member for St. Johns, then presumably we can add the \$43 million that was carried over last year, as part of the deficit. And in

fact, in the Estimates the opposition pursued this fact. They kept after it until they were told, "No, it was not included in the \$181 million deficit." Then they backed off that. Then they tried to distort it by saying, "Well, the carry-over Capital should be included on the right-hand side of the Estimate sheet." It never was ever carried in there.

What they were trying to say was that we should double count it. And, Mr. Speaker, what I cannot understand from the Honourable Member for St. Johns, the former former Minister of Finance, that the very staff, the very administration staff that recommended to him when he was Minister of Finance — and he took with pride, I'm sure, their recommendations — indicated to him what their deficits would be in those days. They have indicated to us that the deficit will be \$114 million. The same staff, the same top administration have indicated, Mr. Speaker, the same staff, yet he will not accept it. He wants to distort. He wants to say that this is what the deficit is going to be in his opinion.

Well, Mr. Speaker, it's obvious that the Member for Inkster either is trying to ignore the fact or he's distorting the fact — I'm sorry, the Honourable Member for St. Johns; my apologies to the Honourable Member for Inkster. —(Interjection)— I apologize to the Honourable Member for Inkster that I should accuse him of being the Honourable Member for St. Johns, that's what I'm apologizing to him for. —(Interjection)—

**MR. DEPUTY SPEAKER:** Order please. The time being 4:30 and according to Rule 19, Clause 2, I now declare it time for the Private Members' Hour.

The Honourable Member for St. James will have further opportunity to speak. He's had five minutes time on his debate.

### PRIVATE MEMBERS' HOUR

**MR. DEPUTY SPEAKER:** The Order for Return standing in the name of the Member for St. Boniface. The Honourable Member for St. Boniface.

**MR. LAURENT L. DESJARDINS:** Thank you, Mr. Speaker. When this new government was elected it announced that one of the most important things that they were going to do, the first thing, the most pressing thing, was to set up a Task Force that would look at all the mismanagement and make recommendation as to where to cut the fat and also maybe an attempt at reorganization.

This was supposed to be the most important thing and it just fizzled out. We are now told that the Ministers are even admitting that they haven't even read it. They are not familiar with the content. They haven't studied it or made too many enquiries about it or made any effort to know what it's all about.

The Chairman, or the Minister responsible for the Task Force told us that as far as he was informed, as far as he knew, not a single Minister had asked for some of these sub-committees' reports. He stated that in this House. Well, now, Mr. Speaker, does that make any sense? New Ministers, some of them new members, have a fantastic Task Force, who's going to spell it out for them and not one of them, not one of them, has asked for a report of a sub-committee dealing with his own department.

Mr. Speaker, it's obvious that this Task Force is a hoax. It's a sham. It's deception and pretense. It is a scapegoat set up by this administration in case of a backlash against Conservative policies. It is nothing more and nothing less than a trial balloon, to see just how much the public will take before rebelling. This is exactly what it is, Mr. Speaker. In fact, it should be known as the Progressive-Conservative Task Force, because that's what it is. It is going to be utilized only when needed, when needed to suit your own needs, if it's a need of a Minister, if it suits them, but the rest of the time it will be completely ignored.

Why do I say that, Mr. Speaker? Is it just to indulge in name-calling? Why? Well, I'll try to tell you why, I'll try to discuss this with you. First of all, let us look at the makeup of this Task Force. We might, for instance, start by looking in the revenue bracket that the people are in; the revenue bracket because I think that that has something to do with it; the money that you have to spend, and so on.

The revenue bracket, I defy the government or the Minister to show me one that — I doubt very much if anybody would be in revenue of less than \$30,000 a year; except Bill Jackson and he's no longer there, and he must be pretty close to that, I would imagine. Now this includes two or three millionaires — and I've got nothing against millionaires, I wish I was one, I wish the hell I was a millionaire — but they include a few of those and they're going to tell us how to deal with the government matters.

Now the position; what position do these people hold? At least 20 of them — and I'm including, of course, those who worked on sub-committees — are either President, Vice-President or General Managers of large corporations. There are some former politicians, a few lawyers and academics, and one or two very senior civil servants.

Now let's look at the political affiliation of the Task Force, an independent Task Force. No, this is the right for a government to name whomever they want, but it is also my right to look at the formation, at the makeup of this. Well, they mostly are supporters of the Conservative Party, including a few of the Liberals that switched this last election. There might still be one or two Liberals but certainly not one known member of the New Democratic Party.

Now, is there anybody who could have a conflict of interest in doing this work? Well, we've talked about millionaires, about large corporations, and you know, it's stretching things quite a bit to say

that they don't care about the Succession Duty. It doesn't affect them at all; or a large corporation tax and that doesn't affect them at all; or even large personal income tax — the ability to pay tax — you know, we've seen a reduction on that and that doesn't affect them at all

So, it must be obvious to even the most rabid Conservative on this side of the House, that there is a conflict of interest with that group. It must be. Are of those unemployed represented? The students? The workers? Senior citizen groups? Are there any of those people represented? Not a single one.

Now, any of the former members of the Cabinet, was anything discussed with them? I think that I have a contribution to make, if for no other reason that you're so sure that I'm always wrong, you could do exactly the opposite to what I recommend. But I think I'd have a contribution to make. No, there wasn't any of that at all because there was no try at really, really doing a job.

But we surrounded ourselves with these people in that bracket, and so on, and we said they're respectable people. And that is something that then, you know, period, finished, don't discuss that at all, they're respectable people, they're leaders of the industry in Manitoba. —(Interjection)— No, I'm not saying they're not. But I am saying that the only way to determine who is respectable, is not only by financial success. I am saying that certain fellows going out with a 'lunch pail have just as much respect, and I'm saying that there are some that might not be respectable, but if they could beat the income tax, they will. I am saying that there should not be any privileged class in society. That is what I'm saying. I'm saying that the poor or the rich should be equal, and they have the same integrity. They can have the same integrity. There is no lousy jobs, there is no lousy people, or section of people. There's some good ones, some bad ones, some phoney ones in all classes, be they politicians, be they sportsmen, be they rich people. There's crooks and good guys and honourable people all over the place.

So, you know, because of the tendency of the different policy, and I wish that everybody would have the guts to stand up and say what they think. We don't need name-calling like we had with the hatchet man today, we don't need that at all. If some people want to say, or try to misrepresent things at all, if a party is interested, and I'm not questioning their sincerity. If they're interested in promoting and helping most the one class of people, well this is fine, and if another party is more interested to see that there be less injustice done, this is also their right. We don't need any task force, to fly a balloon with a Task Force.

You know, people on this side of the House have been saying get government out of business. And I believe that at times there is and I'm one of them that believe that maybe you can have too big a government. I do believe that. But I do believe that a government has a responsibility also, and in a rich country like we have, like in our beloved Canada, for some people that can't help themselves, we have the responsibility to take care of them. I'm talking about the retarded, the mentally ill, the older people, the underprivileged and those are the people that I'm talking about. And I think this is our responsibility.

It is a possibility that we have too big government, but what are we doing with this Task Force? What are we doing, we're putting business in government. We're putting business in government. Is that any better? I'm saying that our democratic system is in danger when we do that. No, we are talking about a great thing. We start by not paying them until we figure that this doesn't make sense, and then we say that they are a \$1.00 a man people. And it's a great thing, put him up there and say look at these people what they're doing for their province. You know what they do in the United States and so on? They paid to be able to get in those positions. They have lobbyists who are constantly doing that work and now these people. . . . What did my honourable friend the Minister say when I asked him for this report? "It's in-house." They're in the House, they're right in there in the government. They know, but the rest of the public and the Members that were elected do not have a chance to see these documents. This is what I'm complaining of. I'm saying, "Wake up," and the people of the backbench, "Wake up," because you are endangering our democratic form of government when you do that.

**A MEMBER:** You're exaggerating.

**MR. DESJARDINS:** I'm not exaggerating. You start somewhere. You've got these people that are there and that are recommending, that millionaires in the large corporations are saying, "Cut down on corporation tax." Am I exaggerating? That say cut down on succession duty. Am I exaggerating? Am I exaggerating? Does the little guy . . . . You were shaking your head awhile ago, you were agreeing with me, what I said about the underprivileged people and the worker. Did they have a chance to say, "No, keep that tax because you can help me." Because you know we hear so much about give them more of their own money to spend. And we agreed awhile ago that collectively we have a responsibility for those that can't help themselves, and you're still agreeing with me. And what do those people do? They don't care if it's taxes, if it's a payment on this, if it's a premium, they want to know if they've got enough money in their pocket to pay for what they dearly need. What they really need. You might leave them a little more, but if you cut down the services that you give them, the service that you give the city, the service that you give the hospital, the service that you give everybody else, if they have to pay more . . . . Sure you might save \$13.00 a year for those people, and that's great. But, look at the hundreds of dollars they're going to have to pay and then they're not going to be served. Surely to hell it doesn't matter what kind of a partisan you are, you must have some responsibility for some people, and you must be aware that here you are introducing, you are doing what you are accusing this side of the House of doing, but in reverse. You are bringing business to govern. And I say our democratic form of government is in danger when this is done.

Wednesday, May 3, 1978

Now, we've had Ministers that were not even familiar with their department, who start making cuts, making the things that were later on reported by the Commission, the Task Force hadn't started. Isn't it obvious that this is a joke, a scapegoat that you can blame, that they did exactly what they were told to do. Isn't it obvious? You know, what is it?

**MR. MERCIER:** You can't have it both ways.

**MR. DESJARDINS:** That's right, that's right. You can't have it both ways.

**MR. MERCIER:** First of all you said that they were doing what they were told, now you're saying they did what we told them to do.

**MR. DESJARDINS:** I'm saying that this room, if you want to know, if you want to talk, this is being contrived in the back room with the supporters of the Conservative. . . . In fact, what did you do? You rehashed an old Conservative document. It can be denied all you want, it is here. And I'm saying now as one of the Member of the Task Force himself stated, and I quote from the Free Press of April 4, "Task Force member Gordon Holland said Monday, members didn't have time to do a large amount of original research, so they relied on the previous Progressive Conservative plan and similar studies in Ontario and Australia amongst others. The old study was reviewed and its criterion and rationale had a significant impact on Task Force work," he said. "Operation productivity initiated in 1967, was completed a year later by a private consulting firm for \$500,000.00. It was called the most exhaustive review of government administration in Manitoba's history at the time, and served as the basis for restructuring the Walter Weir administration," and this is what it was.

Now, it's quite clear. The strategy is quite clear, but you know you don't have to be a genius to see what this government is all about. You are relying on misleading the public, on scaring the hell out of the public. This is exactly what you're doing. You announced the worst. You've got a Task Force that scares everybody, or a Minister will come up and say, "This is what we're doing." And then you fly the kite and you change. Well, it's not going to be that bad. And it worked up to a certain point, but people who were so afraid of losing everything figured, oh God, at least we've got something less. We've got something left.

**MR. SPEAKER:** Order please. The honourable member has 5 minutes.

**MR. DESJARDINS:** Thank you. But, you know, even if you want, if that is your strategy, surely with all the brains you have in the front seat you can do a better job of that. It's so obvious now, as I said, that the Estimates were printed before. The Ministers don't even want to see the Report. Nobody wants to study it. We were told that we'll have a chance to discuss it with each Estimate but the Ministers are refusing to say anything about it. And then, you know, I've been told by some of the Members of the subcommittee, and I've been told by some of the people in the departments. — (Interjection)— Oh, they talk to me. I deal with Royal Trust. I deal with all kinds of people. I deal. . .

**MR. DOMINO:** Are you thinking of joining our side?

**MR. DESJARDINS:** No, I don't have to join to hear these people talk. I don't have to join. For my friend, the new member, there are some people that belong to a party that are not afraid to talk to other parties. It comes as a revelation to him, but there are some people like that, Mr. Speaker, that are not afraid to speak. Oh yes, I switched. I switched party, and I might say to the honourable members in the back seats who think this is a joke, and who have listened to my honourable friend say that I broke down in the House. I did break down. I showed a bit of humanity and if that's a weakness, I had a weakness. I didn't bring up the fact that my honourable friend, who made that statement, passed out after a pretty difficult time when he was a Minister. No, because I don't think that this matters that much. But, I'm saying that you can choose. You can be elected and then you can become a rubber stamp. You can follow blindly, or you can try to change things in caucus, and if not and if you feel that you're in the wrong party, then you can leave the party. I've never made the statement that I was unsatisfied with the Liberal Party, but there was a situation here that it was either the Walter Weir administration, or the Schreyer administration and I chose. And I have no regret, and I don't apologize at all. So if you think that this is a weak spot, or you hit a nerve when you talk about that, I hope you will be disillusioned, because that is not the case at all. And, I would say that maybe you should look at what you're doing because you're going to have to look at yourself in the mirror for a long time, for many years, and if you want to play around with that this is your. . .

**MR. EINARSON:** The Autopac Debate.

**MR. DESJARDINS:** Oh, I know what I went through with the Autopac Debate, and I'm very pleased with the role that I played. I think that we have a very good program, and I think I helped this program. I'm not sorry at all, and I dare you, and I challenge you to do away with that program if it's such a bad program.

**A MEMBER:** That isn't what I'm talking about.

**MR. DESJARDINS:** All right, oh, I know, I know my weakness. I know that I'm a human being. I know that I suffered, that I went through hell. I know that. I don't apologize for that either. If showing human qualities or frailty is a weakness, well then, I'm a human being. And, maybe I shouldn't stand up with the gods and the rest of the facade, but so be it, I don't apologize at all.

Now another thing that we hear constantly is, but they are going to leave, and that also becomes, you know, just like the Bible, that's a statement, "You are going to leave." — if they do so. This is why sometimes I say yes, well why don't we bring back slavery. Why don't we bring back slavery? Because, you know, if the people are interested, they are going to the big corporation or trying to get to pay the lowest wages possible because it's more profit to them. The lower wage that they can get by with. . . I beg your pardon. —(Interjection)— Did I say that? Did I say that? Well then, if my friend wants to make statements during the speech, that's up to him, but I hope he's not going to put words in my mouth, because I won't let him. —(Interjection)— Part of what government? Part of this government.

I was very proud, and I am very proud of having sat in the front bench of the former government, the government that got rid of the premiums. You know, we heard about why do you want people to keep some of their money to spend. There are no more premiums for Medicare and hospitalization. Who built personal care homes, who brought it under the hospital programs. Who brought in home care, the best home care program in Canada. I'm very proud of that, and I'm going to fight to see that another government doesn't try to take it away. Who brought the dental program and who brought these preventive measures. I'm very proud of that and I'm going to fight to see that these things are not taken away from our people. Even if I'm accused of being a Marxist or Communist, I'm going to fight anyway. Because I think there is room for different parties in here with different ideologies. And mine happen to be to give a sucker, a poor, an even break, and if I make money, I don't mind paying tax. I don't like it, but if it's going to cost me a little more, a little more, well fine. If it's going to help certain people, I'm not going to cry. I'm not going to cry. This is all we're asking and I don't think we mean this question of name calling. 18 -09 Now, in this Task Force, we asked for a report of committees to see what it was all about, because I am told by some of the people on subcommittees that the recommendation, the final recommendation is not what they recommended at all. Mr. Speaker, I've misjudged my time, I have an awful lot more to say, but my time is up so thank you.

**MR. SPEAKER:** The Honourable Minister Responsible for the Task Force.

**MR. SPIVAK:** I listened to the Honourable Member for St. Boniface with great interest. Mr. Speaker, I believe that there are arguments that can be brought forward to support a position in which documentation should be presented. I believe it's also recognized that the discretion as to whether those documents, which are internal documents to a report, should be presented or not, are purely within the discretion of the government. That's a well known principle. It's been espoused by the Leader of the Opposition on several occasions when he was Premier and I do not have to cite occasions, but I can assure the members of the House that that has in fact happened, and I can say, Mr. Speaker, that it is our belief that part of the methodology that has been explained in the report which indicated the review teams reports, the addendums to the reports, the further information by additional correspondence, along with the submissions, along with the internal documentation that was available from Management Committee, from the Planning Secretariat, as it existed before, all of these are part and parcel of the working material that was, in fact, available to the Task Force for it to arrive at its final conclusions.

Mr. Speaker, as I say, I believe that an argument could be presented. I do not believe that the Honourable Member for St. Boniface presented any argument. As a matter of fact, Mr. Speaker, and I want to use his terminology, what it was, really, was a hoax on his part. What it was, Mr. Speaker, was a sham on his part. What it was, Mr. Speaker, was an attempt to somehow stimulate a discussion, an attempt on the part of the honourable member to somehow suggest that the recommendations themselves are either of no merit or the basis upon which the recommendations were made, the financial position that the government, when it was elected in October faced, the mess, Mr. Speaker, that the former government left and their legacy — and we'll talk about that, Mr. Speaker, oh yes, we'll talk about that — that somehow or other the reality of what we had to deal with was not in fact a reality but in effect what really we've done is we've exercised something that is purely as a scapegoat for the members opposite.

I have to say to the Honourable former Minister, that his suggestion may be, Mr. Speaker, that those who were in government before should be considered to be a potential people to discuss is something probably worthy of merit but I suggest that he, himself, has demeaned himself to a point where I would not believe now, based on what he's done, that there would be any merit to anything he would suggest. So, therefore, Mr. Speaker, there really, at this point I think in dealing with them there is only one thing you can do and that is dismiss his arguments on the basis that they are strictly political at this point, they are strictly for the purposes of trying to somehow or other discredit the report. The interesting thing, Mr. Speaker, is they say that the report itself is ignored yet the Honourable Member for Burrows on May st, 1st, on Page 1561 says, in effect, it's being implemented and the Honourable Member for Logan has said on more than one occasion, and I believe it was the other night, that in fact it is being implemented. So I say to the Honourable Member for St. Boniface that you can't have it both ways; you can't say it's a hoax and it's not for the purpose of being implemented and then have the other members stand up and say that in fact it is being implemented. I

think, Mr. Speaker, what has to happen is that the members opposite have to get together and have to caucus and maybe have to decide who is really speaking for them.

Mr. Speaker, the Order-in-Council basically sets out what the terms of references were. Mr. Speaker, there were a number of choices that could have been made of the personnel that should have made up the review teams and the Task Force itself. The choices that have been made were made by the government and were made on the basis of the belief that there were people from the private sector and the voluntary sector who could come forward and who in fact, Mr. Speaker, could combine and present an over-view that was necessary and to be able to present us the opportunity of applying business methods to the operation of government. Not that government is a business, and the task force specifically states that, but in effect the application of sound business methods. Mr. Speaker, the one interesting thing is that with all the people who were involved, that there was a common theme coming through as they reviewed areas of activities in all departments and I wish the Honourable Member for St. Boniface would read the report and understand what the hell he's talking about before he speaks in this House, Mr. Speaker, because in effect the review teams dealt with areas of activity which involved, in many cases, more than one department and several departments.

Mr. Speaker, you know there were choices to be made. There were approximately 40 people who were selected together with the civil servants who also worked with the review team members and the Task Force members and the Task Force staff. There probably could have been a hundred. There probably could have been choices made from other regions, there probably could have been other occupations, but, Mr. Speaker, we took people on the basis of what we believed would be their contribution. I think, Mr. Speaker, that it really is a demeaning act on the part of the members opposite not to challenge, Mr. Speaker, not to challenge the credentials of a person that they believe is not qualified but to blanket it on the basis that somehow or other this was a privileged class, that somehow or other they are wealthy people; Mr. Speaker, they are academics, they are people who have worked in the fields, they are people who advised the former government in one way or the other, at different times, and I say, Mr. Speaker, that in the process of selection which was our discretion and which I have in no way any fear in saying that I believe that the choices were good choices. The interesting thing is that, Mr. Speaker, even though they came from different backgrounds and they did not know each other, that in working together they were able to arrive at the consensus, Mr. Speaker. I want to tell you, Mr. Speaker, they were able to arrive at consensus and they have provided us a benefit., Mr. Speaker, I'm going to tell the honourable members the exact state, the exact state, of the affairs of government when they gave up government. I have to say, Mr. Speaker, it was a very good day for Manitoba that, in fact, that happened.

Mr. Speaker, the members opposite had no idea what the hell was happening in their government. They had absolutely no control. Mr. Speaker, they did not even know that their financial position was in the disastrous state that it was and the Honourable Member for St. Boniface, who was a Minister, had no idea, Mr. Speaker. What was it? —(Interjection)— Yes, it's in the report. That information is in the report, Mr. Speaker, and that information is accurate. That information has attempted to be fudged up and fuzzed by the members opposite who are trying to in any way, if they can, attack it because they don't want to have that as their legacy. The truth is, Mr. Speaker, that they had no information system, that the First Minister did not know the conditions, that the members opposite did not know the conditions of what were taking place and that had there not been a change of government and had the restraint program not been exercised, the deficit would have been substantially more for this past year and the deficit would have been even higher for next year.

Mr. Speaker, the only thing the members opposite could deal with is excesses; the only thing they could be concerned with was how they were going to get the money. That was their only problem and the problem would be in either borrowing and the additional cost that would be amortized over the years for the people of the province or higher taxation. That was their only source.

Mr. Speaker, the Honourable Member for Seven Oaks suggested that there was a restraint program put in by the government several years ago. I believe he said in September of 1976. Well, Mr. Speaker, if that restraint program was in place, why didn't anything take place? Where was the restraint that was exercised? Where were the results, Mr. Speaker? The members opposite now are talking about the fact that there was some additional money that came from the Federal Government and that somehow or other that reduced the deficit that was anticipated at the time that we came into government. The information which was given by the same officials — who were their officials — but Mr. Speaker, they don't talk about the restraint program or the netting effect of the restraint program. Mr. Speaker, they had no restraint program in mind —(Interjection)— they did not. Mr. Speaker, they had a restraint program from September of 1976 that did nothing and that would have been the continuation of that program. —(Interjection)— Mr. Speaker, the Honourable Member for St. Boniface can talk about . . . Oh, yes, you haven't proved anything yet; you have no facts about anything. All you do is stand up and talk and that's all and you want to bluff and you want to bluster. You want to suggest by innuendo and some way to attack the individuals so as to attack the report.

The basic fundamental problem, Mr. Speaker, with the way in which government operated was that in effect the central management system of government failed, that the whole structure was predicated on the decision-making of one person and that was the former premier, the Leader of the Opposition, who, Mr. Speaker, would spend one week on the Estimates in preparation for this House and in the course of that one week, would basically cover the whole government; who, Mr. Speaker, had several subcommittees of Cabinet that didn't function, that had a Planning Secretariat that was in constant conflict with many of the former Ministers, and who provided information which, in many cases, was rejected, who had a Management Committee that was not listened to and as a result, Mr.

**Speaker**, who failed in the decision-making that was necessary. As I say, and I say again, Mr. Speaker, the members opposite did not know the true state of their finances and there was no way in which they would have been able to do or handle things that were required.

Well, you know, Mr. Speaker, the members opposite will try and the Honourable Member for Inkster talked about a task farce and it was picked up by the Honourable Member for St. Boniface. It's very interesting because I can recall the Honourable Member for St. Boniface saying disparaging remarks about the Honourable Member for St. Johns before he was in government, while he was in government, when he was thinking of leaving government, but the fact is, Mr. Speaker — (Interjection)— Oh, Mr. Speaker, that can be documented by looking at . . . Well, Mr. Speaker, I don't want to waste my time on that. I just simply say that it's happened. Well, I just simply say that it's happened.

**MR. DESJARDINS:** The insinuations that you say aren't true. You're a bloody liar.

**MR. SPIVAK:** But the interesting thing that they've picked up, Mr. Speaker, they picked up the idea of a task farce. Now that sounds funny but I want to tell you something, Mr. Speaker, what the farce really was. The farce was that in the last eight years, during their administration, they literally had tens and hundreds of submissions and reports that were not acted on. They literally spent their time pushing paper back and forth, dealing with a whole series of items, many of which we never knew in this House, Mr. Speaker, some of which we would only find when in opposition by sheer luck and in the course of asking it, we were stonewalled in terms of the information that was to be provided and they spent . . .

**A MEMBER:** What information? Look who's talking about information.

**MR. SPIVAK:** . . . they spent money, literally, Mr. Speaker . . .

**MR. SPEAKER:** Order please; order please. May I suggest to the Honourable Member for St. Boniface that he has had his time in debate and let somebody else take part. The Honourable Minister.

**MR. DESJARDINS:** Mr. Speaker, I'd be ready to accept that if you had made the same remarks when I was making my speech and all the people were yelling but you didn't.

**MR. SPEAKER:** If the honourable member wishes to challenge my ruling, he has the opportunity of doing so. The Honourable Minister.

**MR. SPIVAK:** Well, Mr. Speaker, you know the fact is the honourable members opposite had a series of studies we did not know about and they were pretty costly, they wasted money. As a matter of fact, I just want to point out one just to indicate it to the members opposite. —(Interjection)— Well, I wonder.

You know, the question at this point is the question of accountability and the question of whether in effect it was incumbent upon the members opposite to basically tell the members of the House what was really happening, whether there was any . . . particularly, Mr. Speaker, when there was substantial sums of money that were spent.

Now, Mr. Speaker, I have a study here which is a study, Mr. Speaker, on Manitoba-Northlands Transportation. It cost \$300,000.00. Mr. Speaker, as far as I know, the House was not informed of this, or may have been informed of it but I do not believe it was tabled. I think it may have been informed in answer to questions that we asked, by the way, Mr. Speaker, but the point is that \$300,000 was spent and —(Interjection)— Well, you know, Mr. Speaker, it was \$300,000 and very little of it was acted on. Very little of it was acted on and, Mr. Speaker, that came after the Mauro Study, which was commissioned by the former government but tabled in the House by the former Minister of Transportation, Joe Borowski. — if I'm correct it was completed and tabled by him and frankly never acted on by the government. So, Mr. Speaker, that cost about \$400,000.00. The question at this point was with the \$700,000, why wasn't anything done?

Mr. Speaker, we can go on and we can talk about the question and the need for the tabling of documentation. Mr. Speaker, we can ask, why wasn't it done and we can ask why the necessity of the study, and what was the rationale, and what were the reasons for it? And we can go on and on and on. But, Mr. Speaker, that's in the past and if the members opposite want to talk about the necessity of filing documentation to prove the hoax of what was being carried on or to prove the failure, then I believe, Mr. Speaker, it could be done.

Mr. Speaker, the members who were on the review team were asked to review certain areas of activity. They in fact produced reports which were part and parcel of the whole methodology in which the Task Force arrived at its conclusions. Mr. Speaker, the Task Force — not the farce. The farce is the members opposite on the other side; the farce is, Mr. Speaker, that the Member for Inkster and the Member for St. Boniface and the Member for Seven Oaks are going to try and perpetrate the fraud that somehow or other the financial position was not as represented. Mr. Speaker, that was not the case. —(Interjection)— No, Mr. Speaker, not at all, no, no, no, Mr. Speaker, we can go on — I mean, I don't blame the members opposite for taking that tack. They have no other tack to take but they have no basis of it, Mr. Speaker. The facts speak for themselves and that in fact was a real

situation. To the Member for St. Boniface, I again repeat that as a member of Cabinet he didn't know what the hell was going on in that government and he did not know, Mr. Speaker, he did not know the financial position, he did not know the financial position, nor — (Interjection) — He did not. Well, Mr. Speaker, giving the north? Giving the north? Well, Mr. Speaker, the Honourable Member for St. Boniface has started from talking about the Task Force and now is going back ten years. I simply want to say to him, and I'm prepared to debate with him anywhere in the province at any time and talk about what that government did and what we are doing now. Mr. Speaker, we are doing the very difficult task and it's very hard, Mr. Speaker, to exercise restraint at a period of time like the present but, Mr. Speaker, it's necessary.

The honourable members opposite believe that the taxpayer could continue to pay. The honourable members opposite believe, Mr. Speaker, that all that was required is for taxes to be raised one way or another. They would raise them on an increase in the corporation tax, Mr. Speaker, and they would say well the people are not being affected but, of course, that tax would be passed on and the people would be affected. The honourable members had no control with respect to their government operation; the honourable ministers who were the former ministers of the government did really not know what was happening; the information system was not providing that information and, Mr. Speaker, the proposals that we have may appear to be drastic but they do in fact clearly bring forward private sector operations and the experience that they have. Mr. Speaker, I think that there is a lot of merit to that. The members opposite will reject it. They'll reject it out of hand because it is in fact an indictment of their own operation. It is an indictment, Mr. Speaker, of the inertia, the failure to appreciate two things with respect to what was happening in Manitoba: the necessity for restraint and for common sense with respect, Mr. Speaker, to the decisions that had to be made and the realization that the taxpayer was entitled to keep for himself the money that he earns and not have to have it taken indirectly or directly, as a result of government failure, and as a result of government weakness and of government stupidity. And Mr. Speaker, that's really in effect the indictment, and the honourable members may be upset by the fact that there are recommendations which change and alter, and in fact, suggest that the previous administration did not operate properly, but Mr. Speaker, that was in fact the case.

Now, there are two phases to the report, Mr. Speaker. Volume I of the report deals with the potential of realignment. Volume I also deals with the central management structure in a proposal with staff Ministers. Volume II deals in a specific way with some recommendations; they are not and they should not be considered to be all the recommendations that could be made, and I have no doubt, Mr. Speaker, that there can, in fact should be legitimate discussion on those matters. And there should in fact be legitimate discussion, Mr. Speaker, on the merits of the proposals in Volume I and to that extent, that would be a contribution to debate. And I don't expect the honourable members to agree to everything, nor do I expect, Mr. Speaker, that there should be, of necessity, the adversary system of the work and acceptance of it. But Mr. Speaker, that is a legitimate debate.

But the kind of presentation that the Honourable Member for St. Boniface made which is typical of the kind of presentation that he makes continuously, based on nothing but bluster and bluff, Mr. Speaker, doesn't contribute anything to the debate, and Mr. Speaker, does not in any way demean the Task Force Report, but demeans him.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I've, I guess learned over the past several years to expect increasingly less from the now Minister responsible for the Task Force. But I suppose that the performance that he put on in the last 20 minutes reaches a nadir in his particular contributions to this House, simply because he didn't address in any way, shape or form the issue that's before this Legislature. And it's unfortunate, Mr. Speaker, because a lot of people for a long time have been waiting to talk about the way in which this Task Force has conducted its affairs, or the way it hasn't conducted its affairs, and particularly the substance of its recommendations. Instead, we hear once more a recital of the campaign rhetoric that was established by the First Minister in his late election campaign, and I'm surprised that this particular Minister would simply become sort of a marionette on a string to the First Minister. That's not the kind of tune we were hearing only a year and a half ago.

But the fact of the matter is, he made no effort or attempt to justify why this government is refusing to provide this House with the rightful information upon which judgments can be made concerning the Task Force recommendations. And that's the issue that we're discussing. If he wants to discuss the past sins of previous governments, then let him do it with his friends. If he wants to rage mightily against the forces of evil, let him do it in the privacy of his own home. But as a Minister responsible, we have no opportunity to address this issue because he doesn't come up in Estimates, he doesn't come up in any other area. We have been promised, we were promised, Mr. Speaker, when the Task Force was introduced, that we'll have a full chance to debate this report when we get the Estimates. He said, let's get to the departments, we'll be able to discuss it fully then.

Now, we have been through four departments, I believe — is it four, five? And every time we raise a question saying, well now, here is a question related to the Task Force, what is the government going to do about it and how do you respond? The standard reply of every Minister has been, "Sorry, that's not our responsibility — I haven't even read those recommendations yet. I mean, how can I deal with them, I haven't even read them yet." That happened with the Minister of Education, the Minister of



Highways — the Minister of Industry and Commerce said, "Gee, it's not my fault; it's not my Task Force Report. Don't ask me to deal with it — I don't know what's in the report, I haven't got around to reading it yet." So every time we come to deal with the Task Force Report, it's like a Cheshire cat; it grins there, and all of sudden it disappears.

I suspect, Mr. Speaker, that that is really what all the Task Force Report is going to become, is that we have a sort of an apparition before us. Because the fact of the matter is, I don't think that this government wants to debate that Task Force Report, because they know, Mr. Speaker, it's a bad report. It's a shoddy piece of work by any standard of measurement as to what a government should do. And I'll tell you why it's shoddy. I don't use those words lightly; I'm not here to engage in some partisan exchange. I'll tell you why it's shoddy; first, because the method of accumulating information was dishonest. They have made a number of recommendations concerning different programs and services, and never did they talk to the people who were delivering those programs and services. Nor did they talk to the people who were on the receiving end of those services. Now that, Mr. Speaker, is a shoddy piece of work, because Rule No. 1, in any kind of evaluation technique, or any kind of evaluation report, is you look at the objectives of a program and you look at the impact of the program, and you assess and analyze what the impact and consequences could be.

Now how can a department or a so-called Task Force Report expect to be treated legitimately when it comes forward with a two volume report which says, here is a range of recommendations on Education, and then the Manitoba Teachers' Society and the officials in the School Board Division say, "But no one talked to us about it; who asked us about it?" How can you dare make recommendations concerning the administration and management of the educational system and not talk to the people who are involved? Mr. Speaker, We asked legitimately — (Interjection)— he is saying, well, there must have been some reason for those recommendations. Let's see what the particular Task Force group, working in Education, why and how they arrived at those conclusions. They obviously didn't talk to the people affected, so who do they talk to? Who do they consult? What information do they use? What sort of data do they develop? That's what we wanted to know. It seemed to me a legitimate request. If this report is so important in the lives of Manitobans, and I accept that every government should be organized; I believed in reorganization; I think it's an important thing to do. Every government should take a hard look at itself. But at least in this Chamber the members should be involved in having before them some honest-to-goodness account as to why those conclusions were reached, and that's why we were asking for that documentation.

I want to know, Mr. Speaker, why is it being covered up? Why is the Minister so deathly afraid to provide that information? Is he afraid of the competence of the Task Force members? Well, no — he just said he trusts in their competence, and I won't question him. I'll say that they were all good, honest people — that's right — I mean, I'm not going to question the competence of them if he won't. I mean, I'm not even going to get into that area. There may be some questions about it but I'm going to simply say I think the Minister involved with Task Force has questioned their confidence because he's not prepared to divulge their findings. He is not prepared to come forward and say these tried and true people, here's what their findings are, I am prepared to defend them. He's not prepared to bring that material forward.

Now, Mr. Speaker, I think it's only natural for us to be suspicious on this side of the House if the Minister responsible finds that he doesn't have the will within him to provide at least the basic documentation so that we can find out why his Task Force members developed the conclusions that they did. So, on a Test No. 1, Mr. Speaker — I've been in the evaluation business for 15 years; I just came from a major conference in Mont Ste. Marie of American and Canadian public servants and academics who are in the business, and do you know what they say? I'd like to provide, because if I was a Minister, I may want to receive certain information — it was a group of people from American and state provincial governments, federal governments, and the first rule of any evaluation, they said, is divulgence. You've got to provide a clear record and a clear accounting as to why the recommendations and evaluations were made the way they were, because if you don't do that then the evaluation isn't worth, to quote old Slav Rebchuk, "worth the paper it's written on." It just simply isn't worth it. And Mr. Speaker, that's why it's a shoddy report, because there is no basic background material.

Now, Mr. Speaker, let's provide Test No. 2 as to how you go about making those kinds of conclusions. Let's use the Minister's favourite word, "accountability." Now, how are we supposed to hold this government accountable when there is no way, shape or form to know exactly again why this Task. . . we had a report, which all it says and all it states, is a series of recommendations drawn from goodness knows whom and for goodness knows the reason why. Now, you don't hold people accountable on those grounds. We would like to know, Mr. Speaker, I think as part of that great test of accountability, is again to provide proper information; that's again the first test for it.

And again the Minister is afraid; he's hiding it; he's holding it back and he hasn't given a good reason why. He had his opportunity; he had 20 minutes in this House to stand up and give one good reason why he should not have provided information; he didn't provide a reason. He attacked the Member for St. Boniface and the Member for Seven Oaks and the NDP government and the wastrels and the Planning Secretariat, and Mr. Speaker, I would — I'm not going to argue with him, because I spent four years doing exactly the same thing. But the fact of the matter is, that wasn't the point that is on the agenda at the present moment. The question is, why is this government not prepared to provide the background reports of the documentation so that we can have a decent, honest, open debate about the Task Force Report? He had 20 minutes to give us a reason and he didn't provide a reason. —(Interjection)— Oh, I guess that's the reason why; there isn't a reason other than (a), he's

afraid that there isn't sufficient evidence to support his conclusions, because if there was, let's see it. I now put the challenge to him right out: if he believes as firmly and fervently in that report as he says he does, then put the stuff on the table and quit fooling around.

I'm not going to attack his veracity or his credibility, I'm simply saying, give us the evidence, that's all. And then we can have an honest debate in this House, then we can get into a proper discussion. And when we have to discuss the Minister of Education's Estimates where they recommend a drastic alteration in the form of management of the schools, a tremendous centralization, a taking in of enormous control to the Central Provincial Government over Education in this province, I want to know why, I want to see the evidence in front of me. And that is the kind of recommendation that's there, and that's at least what this Minister owes the public of Manitoba — that's the least he owes. Now, I think he owes a little bit more than that.

Unfortunately, Mr. Speaker, I assumed, when we were told that this Task Force was going to report with great speed and haste, that there was a reason for it. Well, what we find out, in fact, is that the Task Force Report has kind of come in and a lot of the measures that it presumably recommends have always been superseded by the departments in operation. And I haven't quite figured out what kind of track this government is working on; is it going to deal with the Task Force Report, take its recommendations, discuss it, and then go to the departments and say, here's how to implement it? Or are they already sort of dealing with a series of *fait accompli*, a series of decisions already taken, and therefore saying, "What's the point of the Report?" And that hasn't been clarified. The Minister again had within his 20 minutes the opportunity to clarify that peculiar confusion that exists.

Now, let's talk, Mr. Speaker, about one further thing that disturbs me about both this Minister and other Ministers, is about the way that they have elevated the word "restraint" to somehow being equivalent to Immaculate Conception of some theological deity. Restraint has now become some sort of word that has magic to it; restraint has now become a magical word in the vocabulary of the Conservative Party. And yet, you know, there's a curious problem about the way they practise restraint, because I've listened to the Ministers very carefully as to how they're going to go about doing restraint. They say "We're going to cut programs now" — not cutting them on the basis that they're no longer any good, because they haven't evaluated them yet. Well you know, I've asked several Ministers, sort of said, "Tell me, what about this program, how will you evaluate it?" They said, "Well, we haven't evaluated it yet." "Well," I'd say, "why is it being cut?" "Well, because the First Minister says we should cut it." That's restraint. "But we're going to have to bring it back in." Except when they bring it back in it's going to cost twice as much as it does now. In other words, it is really a penny-wise, pound-foolish form of restraint. And they don't understand those economics, Mr. Speaker; they haven't quite figured out that their so-called restraint that they're talking about isn't restraint at all, it's almost a double jeopardy kind of game; that's what they're engaging in. If in fact they are honest, and some of the members of the backbench like to proclaim, "Oh, no, we really believe in people and we believe in services and this is just a temporary phase we have to go through." If that happens to be true and they are going to have to re-introduce those programs again and those services again and rebuild the structures, they're going to have to do it at a substantially higher cost than what exists now, and they are not going to gain any of the benefit of an incremental approach. So (a), we have a so-called restraint program which really isn't restraint at all, it's butchery, that's what it is.

I don't believe this government is going to bring those programs back in because I haven't seen any evidence from members opposite that they really believe in providing a proper package of public services to this province. That's what I really believe. Now, I don't think that they're simply saying this is temporary, I think as far as they're concerned it's permanent, because they like the idea. You know, they really think that this is being kind of macho government; they're dealing sort of in this kind of frontiersmanship, because they think it's politically sexy at the present moment to engage in it. But I don't think that they really care about those services, I mean I don't think they have applied any tests. You know, the Minister of Industry and Commerce says, "Well, you know, I'm going to cut out some life-guard services" — well, okay, legitimately maybe there were one or two too many life-guards, but when you ask him, "What are the safety standards being applied?" Well, he isn't too sure. So, really, what we're trading off is that magical word "restraint" against the safety of people who are going to the beaches. Now, do we really have to say that restraint is such a magical thing when in fact we're beginning to sacrifice some very important criteria about what a government should do?

I would be much happier, Mr. Speaker, if in the report itself, when they are recommending the elimination of certain services, if they had, again, some reasons why. That would be the proper way of going about restraining government, would be to say there are times when certain programs outlive their usefulness, that they no longer provide adequate service for the money being spent. And here is a careful calculation; here is Department A, and Program X, and we have looked at the objectives under that; we have said that we are now spending too much money, it no longer provides a sufficient service, therefore let's get rid of it. That's the proper way to manage government; that's the way of doing it, but no one is doing it on that side.

It's not in the Task Force Report; there was none of that kind of calculation; nor is it in any of the Ministers' statements when they cut back programs. They do it surreptitiously in the night. They sneak up on you and say, "Zip, there goes another couple of civil servants. Zip, there goes another program." You know, that's the way they deal with it. They figure somehow if they can slip it by that no one will notice that it's no longer there.

That's called good management, Mr. Speaker. They really think that that's good management. It's management by secrecy, management by being covert, and this is the Minister who says, "Let's be

**Wednesday, May 3, 1978**

accountable." And they want to be accountable by hiding their cuts, sort of hoping people won't find out, sort of not telling until they have to be prodded and probed. He said, "When I was Leader of the Opposition I had to go and find out what those NDP guys were doing. They were producing reports; they weren't telling us."

What do you think we are doing now? What do you think has been going on in this House for the past two months? Having to sort of find out, sort of saying, "Pardon me, Minister of Labour, are you firing anybody lately?" "No, I'm not firing anybody." "Tell me, Minister of Agriculture, how many are you going to fire?" "Well, there is going to be four or five next month, sorry about that."

Now, you know, that's being accountable? That's being responsible? That's being called good managers, when the Minister of Labour, who is responsible for Public Service doesn't know that her Minister of Agriculture is intending to fire five or six more people in a government department. Well, Mr. Speaker, that's great management.

Boy, I'll tell you, if there is any one group of people who should be learning the lessons of accountability and responsibility, I'd say it's the guys over there. And you know they have only had six months to demonstrate their practices. What's going to happen after three and a half years?

You know, Mr. Speaker, I really despair because I don't find the kind of rational, objective and responsible approach to government reorganization that I expected and I had hoped for from this Minister. We don't know if he has got a department; we don't know what he is responsible for; we don't know how this government is treating it. This House has not been given the information to treat the subject properly. We are not given the opportunity to debate the substance, because the Ministers in their Estimates say they don't know what the substance is. So all that we're having to contend with is an apparition — something that is there one moment and isn't there the next. It is going to weave in and out of the woves of government and every time we are going to come back will sort of, say, talk about the Task Force Report, somehow as if it has become sort of the Holy Grail; we are always going to be looking for it but we are never going to find it.

So, Mr. Speaker, I would simply say that the Minister responsible for the Task Force on Economy, or whatever it is, Reorganization would be well spent if he read, re-read again, his first two pages and said, "It's about time we got accountability and responsibility." Because the first group that should learn that lesson is the Minister responsible for that Task Force and his colleagues.

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

**MR. LEN DOMINO:** Mr. Speaker, I'd like to speak on this but I wonder if I could take the adjournment and we could call it 5:30 at this point.

**MR. SPEAKER:** Is it agreed to call it 5:30? (Agreed) The hour being 5:30, the House is adjourned and stands adjourned until 2:30 tomorrow afternoon (Thursday).