

# THE LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 28, 1978

Time: 8:00 p.m.

## THRONE SPEECH DEBATE (Cont'd)

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

**MR. LYON:** Mr. Speaker, I naturally welcome the opportunity to participate in this debate. My first words, Sir, are to you for the commendable manner in which you are carrying out your arduous duties, and lest you think from time to time that those of us in the Chamber are unaware of the responsibilities that you bear, I can assure you and I know that my friends opposite would share this view, that none of us envy your position, particularly at Question Period, and on other times of high emotion or high debate and we marvel — if I may say so, Sir — at the cool-headed manner in which you are carrying out your Chairmanship of this House and doing so with a fairness and an equity which is certainly a tribute to the office and which is valued on all sides of the House.

I congratulate as well the Member for Radisson, the Member for Crescentwood, for their appointments as the Deputy Speaker and the Chairman of Committees respectively. I commend, of course, the Mover of the Address and Reply to the Speech from the Throne, the Member for Crescentwood, and the Seconder, the Member for Portage la Prairie for moving and for seconding the Address in a most capable way.

Coming as I do from the City of Portage la Prairie, I could not help but be moved by the descriptive words used by the Member for Portage about that constituency and the community in which I was raised and the people who have made the community and surrounding agricultural area such a vital part of the Manitoba scene. I am sure that the Honourable, the Leader of the Opposition, when words are spoken about Beausejour feels some of the same sentiments that I feel about Portage la Prairie.

May I as well, Sir, congratulate all members on all sides of the House for the contributions that each and every one has made to the debate. Coming as this debate does some five months after the swearing in of a new government this debate probably is unique in the life of this Legislature. It comes at an early time when new ideas, new approaches, new responsibilities, some attitudes old and some attitudes new, all of these things are being reflected in a variety of the responses that we have heard from both sides of the House.

And while, Sir, we do not agree with many of the stances that have been taken by honourable members opposite, we must respect always, and do respect always, the rights of all members of the House to express their views in a free and in an open way. That, of course, is the essence of parliament and that, of course, is the essence of a parliamentary democracy, that we can have these sometimes diametrically opposed views, but that we can stand up on behalf of the citizens we represent and with a free conscience say those things that we believe to be in accordance with right as we see it. That truly is the essence of Parliament and we have witnessed again in this Legislature the manifestation of what free parliamentary democracy is all about in this Throne Speech.

And, Sir, I should like as well to express a sincere word of thanks to the members of the House staff, the Clerk, the Deputy Clerk, those responsible for Hansard, those responsible for maintaining peace, order and good government — to use a well-worn phrase — in the vicinity of the House. And more broadly, Sir, to the members of the public service of Manitoba, who along with this new government have worked long and have worked hard to ready the Ministers and the caucus for this session and to prepare the Estimates, and the legislation and the programs as generally set forth in the Speech from the Throne, in a time frame, which I am sure the Leader of the Opposition will recognize, is severely contracted because of the date of changeover in government. I hasten to add that I have no complaint about the changeover in government, but from time to time we do have some comments to make about the date of that changeover because it did contract the amount of time in which the orderly and regular business of this House should be carried out in the way in which governments wish to do it, whether governments of the NDP or governments of the Conservatives, or governments of the Liberals.

To the Leader of the Opposition, Mr. Speaker, I express my best wishes on his assumption of what is not always an easy role in any Parliament. It is a new role for him after some eight years on this side of the House, and as I did in December, I wish him well again in his endeavours and can assure him again of my belief, that a good opposition helps to make a good government, and the better they perform in that role then the better we will perform on this side of the House. That again is another one of the manifestations of Parliament and one of the rules that history has taught us.

Indeed I remember well, Sir, last year — when we jointly recalled when I was sitting in his chair across the way as Leader of the Opposition — that we had been antagonists, yes, over a period off and on of some twenty years, and at the same time colleagues as well in this Chamber. And while from time to time the heat of debate may well lead him and me to verbal clashes — and our parties and our party members to verbal and other clashes within this House — I reiterate to him, Sir, through you, that I am confident that he will acquit himself extremely capably in his new role, unaccustomed as he may be to it. And I say as well, Sir, that the public interest — and I say this most sincerely — the public interest will benefit from his continuing participation in the public affairs of our province and I hope he continues to stay with us.

My purpose tonight, Mr. Speaker, will be to deal to some extent with the present program of the government, some of the history which led up to our present situation and latterly perhaps for a few minutes, if time permits, insofar as humans can so do, to look briefly into the future and to see what that future may hold for us, the 1,035,000 of us in the Province of Manitoba. In that regard, Sir, I think we must start from the beginning, which is always a good place to start, and that is the present situation as we find it in Manitoba.

Let me start, first of all, with this comment with which I think there will be very little disagreement. Manitoba's potential for growth and for improving quality of life remains excellent, notwithstanding short and some medium term dislocations which afflict us and, indeed, afflict our nation. I say that in no Pollyanna sense; I say that in no sense of false rhetoric because I believe that the people of Manitoba, indeed, the people of Canada, can look forward with a great deal of optimism to the future of this country provided — and always there is a proviso as all lawyers know — provided we are willing to do those things which the times demand, provided we are willing to collectively, as a nation, individually as provinces, individually as citizens, to pull our fair share of the load, to make of this country what it is capable of being made.

Secondly, I believe that inflation and unemployment are both unacceptably high in this country and indeed in this province. They must be approached as twin problems in which the government has an important role to play, not an all-pervasive but an important role to play. Our unemployment rate in Manitoba is the third lowest in Canada but it is still unacceptably high. While Statistics Canada figures indicate that there are 16,000 more employed persons in Manitoba this year than there were last year, still we must centre our attention upon those who are unemployed and who wish to work. I think our record has been not too bad in the national context but we have improvements, great improvements to make, particularly in the eyes of those who are receiving unemployment insurance, who want to work and who are not able to find that work in Canada or in Manitoba today.

Thirdly, and this is axiomatic, but I think it bears repetition, in this province at this time and in the context of our mixed economy, agriculture remains the cornerstone of our economy and will for the foreseeable future represent the major base upon which spin-off industries and new job opportunities can be created within our province. The buoyancy of our economy or indeed the reverse, the sluggishness of it, depends all too often very directly upon farm income and the impact of that farm income upon sales and purchases and so on within the Province of Manitoba. You know, there is the old saying that if the farmers are doing well in Manitoba, if agriculture is doing well in Manitoba, then Manitoba's doing well.

We can take some pride, I think, over the years, looking back and up to the present time, in the demonstrated ability of our primary producers, our farmers in this province, to remain among the most efficient to be found anywhere in the world. They are, they have been, and they will continue to be that way because that's the way they're made.

And fourthly, Mr. Speaker, in enunciating those things that I think all of us perhaps know but from time to time, like the Scriptures, deserve repetition. The state of provincial finances as revealed by the audited half-yearly statement and the quarterly reports, the unaudited ones which have been turned out since, show that we are facing as a province the largest combined deficit in our history. One that is like unemployment and like inflation, unacceptably high.

One of the facts of life, and I say it out of no sense of partisan advantage whatsoever, but as a fact of life which will be demonstrated again and again in this Session when the Estimates are brought down tomorrow, when the Budget is brought down later next months, when the report on the Task Force comes into this House when it is ready. One of the facts of life that we must face in Manitoba whether we like it or not, whether it suits our partisan outlook or not, is that there was a lack of financial control on the affairs, on the public affairs of the people of Manitoba until the 24th of October, and the government — in the words of the Federal Auditor-General as applied to the Trudeau government in Ottawa — had lost control of its fiscal authority in this province, the former government.

I say that not as a rhetorical political statement, I say that as a fact that is going to be demonstrated and demonstrated again and again in this Session. While honourable friends opposite may not wish to hear this and may not wish to see the demonstrable facts that will be adduced in support of that proposition, I give them fair warning now that that is what they are going to hear and they are going to hear it and hear it again, and it is going to be proved. Beyond any figment of reasonable doubt it will be proved and it will remain emblazoned, I can assure you, on the minds of the people of Manitoba for a long time to come. So I make that as an axiomatic statement about the affairs of Manitoba as we find them today.

This state of affairs as we found it on the 24th of October, and subsequently comes at a time when tax cuts are needed right across this nation. It necessitates our operating, as any responsible government would have to operate in such circumstances, a leaner and a much more efficient government than the one we inherited. There is no alternative to this course of action. Mr. Speaker, I repeat that statement for the benefit particularly of my honourable friends opposite, and I invite their comment. Indeed I invite their comment if they have affirmative alternatives to offer. I say there is no alternative to the course of action that is being followed by this government at this time in the public interest of Manitobans, indeed for generations to come.

If my honourable friend, the Leader of the Opposition, or any of his colleagues have any suggestions as to what alternatives should be taken at this time, and I am not talking about socialist rhetoric or socialist dogma, I am talking about the hard realities and facts of life as we must face them here. Then we are open to hear them, we're open to hear them. Very open to hear them, because, Mr.

Speaker, when you come into office in a province which has traditionally over the years, particularly in those years when I was associated with the government and even more particularly in the years before 1958, before the Leader of the Opposition and I were in this House, when there was fiscal prudence in the management of our affairs. And there continued to be during the decade of the Sixties, and there was early in the years of my honourable friends' operations, until some time or other they began to think that the money that they were operating with, that they had extracted from the taxpayer somehow or other, was like Monopoly money, and it really didn't matter if they accounted either to this House or to the people of Manitoba for the way in which they were buying Park Place or mortgaging Hecla Island.

So here we are today and these are with half-yearly audited reports showing accumulative deficit . . . the people of Manitoba of \$225 million, \$129 million on current account. I repeat the figure, Mr. Speaker, \$129 million on current account.

When my honourable friend, the Member from Seven Oaks, the former Minister of Finance, stood up in this House last April — I believe it was — brought in a Budget indicating that the current deficit, the deficit on current account for the people of Manitoba, for the fiscal year 1977-78 was going to be what? \$129 million — no, no, no. \$100 million — no, not that at all. \$50 million — no, not that. \$25 million was the figure, 25 million. And some few months later, Mr. Speaker, some few months later in October to be exact, we find that the deficit is not the deficit we were told it was going to be and we predicted by the way, Mr. Speaker, it was going to be an open-ended deficit and indeed it was. It was open under the sky, because the election was on and promises were being made here and promises were being made there.

Something like 70 odd million — and that figure is subject to correction, but I think it is a bit on the conservative side if I may say so — 70 odd million dollars worth of construction was under way when we came to office, some of which was not even budgeted for. There was a winter works program under way, not winter works, but a short-term make-work employment program under way, and at one of the early meetings of the Management Committee when we said, "Where is this money voted, where is this money coming from?" They said, "Well, of course, this money will be added to your deficit if you spend it." And immediately my honourable friends or some of them opposite said, "Oh, what happened to our make-work program, the balance of the 35 million that we were going to spend, what happened to it?" Well, I tell you what happened to it. We spent what we had to spend because we didn't want to add to the \$225 million deficit that you had left us with.

Mr. Speaker, that is not the worst, that is not the worst part of the story. Because if restraints had not been applied almost immediately after the 24th of October that Budget deficit could have risen under my honourable friends' way of doing things to something in excess of \$300 million, and I think I am being conservative again, something in excess of \$300 million that the people of Manitoba would have had to bear had the stewardship of this province remained under their control.

So, Mr. Speaker, I say to you that that is an axiomatic fact of life that all of the people of Manitoba have to come to grips with as we have had to come to grips with it. My honourable friends try to pooh pooh it and say, "Ah well you know, where do these figures come from?" Well I tell you where they come from. They come from the provincial auditor of Manitoba, that's where they come from. A man who doesn't and didn't in their time carry too much respect, particularly with people like the Honourable Member for St. Johns, but a man who gives the figures as he sees them. And the projections unaudited as they be, for \$225 million deficit we have been working against since the day we assumed office in this province. And I think we have made some little inroad, but that will have to await the address of the Minister of Finance in his budget statement.

Another axiomatic fact of life Mr. Speaker, that I would like to mention tonight, is that the estimates of expenditure are going to be tabled tomorrow and they will reveal the measures that we are taking. In this difficult and in this transitional period, as we attempt to restore some common sense to the administration of public affairs in this province, to bring our provincial affairs under control while at the same time maintaining and in some cases — not as many as we would wish, not as many as we would wish Mr. Speaker, believe me, but in some cases improving financial allotments to those social and educational and other programs necessary today for the people of Manitoba. But we are something like a trotting horse. We are working in hovels, we are working in hovels that were left us by the previous administration, and they are tightened up, and they are not something that we are going to continue to complain about but they are something that we are just going to continue to remind honourable members opposite about so that they won't forget their legacy to the people of Manitoba on the 24th of October, 1977. That legacy is going to be well demonstrated in the course of this session.

So those estimates of expenditure are going to be tabled tomorrow and while we are maintaining these programs and enhancing some of them, there are necessarily going to be some areas of cutback. And Mr. Speaker, I make no apology about that at all and the Minister of Finance will make his statement tomorrow about that.

And you will see when that statement is made that we are a government that believes in terms of expenditure, in terms of taxation, of doing what we told the people of Manitoba we would do. We are trying to keep those expenditures to a level that is compatible with the growth in our provincial economy. Unless my honourable friends opposite think that that is some kind of heretical doctrine that has been propounded by some extreme right-winger, let me say that that kind of doctrine, today, by those who understand the political life on this continent is one that has general acceptance from

all parties, even including socialist parties, that last remaining bastion in Saskatchewan, who sign their names quite eagerly now to programs of tax reduction taking their personal income tax from 58 down to 53 points.

Did we hear any outcries from my honourable friends opposite about that? No, no, not at all, but when we reduced it from 56 to 54 they said, ah but you're forgetting about the other programs you should be spending this money on. And where were my honourable friends when the Premier of Saskatchewan and his Provincial Treasurer, a year, 15 months ago, abolished the succession duty in Saskatchewan. Did we hear them say that that was looking after their rich corporate friends? No, no, no not a word. What Blakeney does is according to the dogma in Saskatchewan, but what the Conservatives do in Manitoba must be wrong even though it is the same thing. Yeah that is the kind of dogmatic outlook we have had from my honourable friends opposite.

So I tell them to get with it. Come on into this century, never mind this decade, come on into this century and get with it and they will find out what is happening, what the realities of political and economic life are in this country and in this province today. And if they would sooner feed and nurture on their old 19th century Marxist doctrine, that's their business. That's their business and that's their problem. But I want to tell you this, that the people of Manitoba are away ahead of you, away ahead of you in terms of knowing what has to be done in Manitoba today.

One of the other axiomatic facts of life, Mr. Speaker, that we had better talk about tonight is this. That the budget when presented will reveal the revenue side of the picture and will give for the first time the full dimensions of the tough problems that all people in Manitoba and all sectors of our economy in Manitoba face in this transitional period, again, largely because of the legacy of eight years of mismanagement by my honourable friends opposite.

And so, Mr. Speaker, all of these problems that we face, and they are transitional problems, they are transitional problems and hopefully they can be overcome sooner rather than later. But it is a heavy load to bear for the people of Manitoba for the luxury of eight years, for the luxury of eight years of having a group of individuals who thought they were playing with Monopoly money instead of the taxpayers' dollars in Manitoba, the hard earned taxpayers' dollars in Manitoba.

So we are faced, Mr. Speaker, with the problem of cleaning up the operation. Cleaning it up, making it more lean, making it more efficient on behalf of the people of Manitoba and then getting back as soon as possible to a management basis of public affairs in Manitoba which is acceptable and which is desired and which is needed and which will be given to the people of Manitoba.

In connection with our fiscal affairs Mr. Speaker, I refer honourable members, of course, to an item that used to draw the attention of the former Minister of Finance and the Member for St. Johns and sometimes even the Leader of the Opposition, got a bit irate about it, the public debt in Manitoba. Now can there be any question about what was being said when we were in opposition, what is still being said today when we are in government because the figures are still there, the same printed figures my honourable friends used to turn out and then they tried to deny them. They are still there in the audited reports today. Can there be any question about it at all, Mr. Speaker, that the total combined, direct and guaranteed debt. The total debt. And that is what the lenders want to hear. That is what my honourable friend, the Member for St. Johns used to publish but tried to deny. He would publish it for the lenders in New York but he denied it at home in Manitoba. The total combined direct and guaranteed debt, net, and I will even give him the benefit of this, net of sinking funds, \$3,434,000,000 and that was as at the quarterly statement that was turned out on September 30, 1977. Now my honourable friends opposite know that there are about 1,035,000 people in Manitoba and by some quick arithmetic they can come up to the. . .

**A MEMBER:** Tory arithmetic.

**MR. LYON:** Well, it's not Tory arithmetic. It's the kind of arithmetic that the lenders in New York and the lenders in Switzerland, the lenders in Hong Kong and all of these other esoteric markets where we have gone to, that is the kind of arithmetic they want in the published statements that were made. And so that works out to about \$3,400 per head, a figure that was much disputed — isn't that funny? — across the way. —(Interjection)— Not Lyon arithmetic; this was the arithmetic at the time of my honourable friends. And, Mr. Speaker, in case my honourable friends haven't bothered to update themselves on the figure of the public debt — and this is the latest one that I have — as at December 31, 1977, the end of the last calendar year, the total combined direct and guaranteed debt, net of sinking funds for the Province of Manitoba was \$3,538,246,576, and that ain't hay. That's the total combined debt of the people of Manitoba as we stand here; as at December 31, 1977, that was it and it's higher even today.

So I say to my honourable friends opposite, those who gave the heritage and the legacy to the people of Manitoba, the great privilege of having the second highest per capita debt of any province in Canada, thanks a lot. That on top of your current deficit has really helped the people of Manitoba an awful lot; and we're working against that day by day as well; and we're working against those interest payments day by day as well. If my honourable friends opposite don't want to pay any attention to interest payments, let me tell them this, let me tell them this: That when we came into office in this province one part — only one part — of the \$129 million deficit on current account was what? It was \$16 million underestimated — underestimated — on the debt carrying charges of this province, \$16 million, just for the interest. That's part of the \$129 million that we're fighting to overcome day by day and week by week in this province, and don't let my honourable friends opposite try to tell the people of Manitoba ever, ever, ever in the history of this province — and let all

historians note this — that they left a clean shop. They left a stable full of troubles, a stable full of troubles, and they're going to hear about them and we're using the broad base shovel right now to get rid of a lot of them.

Mr. Speaker, the Federal Government, the former kissing cousins of my honourable friends opposite, the Federal Government today has an annual debt interest charge of some 6.5 billion! and some 14 percent of the Federal budget is going now to retire debt interest. These figures are so huge that it's hard for honourable members, it's hard certainly for the average taxpaying citizen of Manitoba or of Canada, to comprehend them.

But let's bring them down to what they mean to the average person who is employed and this is from an article that appeared recently in the Winnipeg Free Press. I think it was the 23rd of February, 1978, and it's quoting the Globe and Mail from Toronto, a paper that my honourable friend, the Leader of the Opposition, likes to quote from time to time when it suits his purpose. Here is the quote: "For every dollar of the government" — that's the Federal Government we're talking about here — "will spend in the coming year, 14 cents will go to interest payments and while some of this money will stay in Canada, some will go to foreigners holding Canadian Government securities." I know "foreigners" is a bad word in my honourable friends' lexicon but that's what happens when you borrow in Hong Kong or Switzerland or West Germany or wherever. "The totals do not include interest payments made by" — listen to this — "Provincial and Municipal Governments which would raise the total governmental debt to more than \$900 per person employed over the coming year.

"The government" — and this is moving on in the story and this is the Federal Government — "has to pay this interest from either tax revenues or by borrowing more money. If tax revenues go to other uses, as they usually do, then around 65 percent of what the Federal Government intends to borrow over the coming year, must be used to pay interest on past borrowings."

Mr. Speaker, that's the state of the Federal finances today and we're in the same jackpot here provincially because of the heritage and the legacy left by my honourable friends opposite. — (Interjection)— My honourable friend from Brandon East, talking about the gross national product, he can't even spell it let alone understand it.

**MR. EVANS:** Take it as a percentage of the GNP and see what happens.

**MR. LYON:** Mr. Speaker, you don't have to tell the average taxpayer of Manitoba that if you borrow money you've got to pay interest on it. One, and I repeat, one of the extra charges that this government assumed when we came to office to act as trustees on behalf of the people of Manitoba, was \$16 million extra on interest charges alone, \$16 million, that's \$16.00 in one year for every man, woman and child in Manitoba, approximately. That's the heritage they left us in one year, just in extra interest charges.

**MR. JORGENSON:** No wonder the babies cry when they're born.

**MR. LYON:** My honourable friend, the Leader of the Opposition, likes to talk about the great state of finances of the Province of Manitoba. That they'd had — what was it — one, two or three budgets that were balanced with a little bit of a surplus, back when the Honourable Member for St. Johns was the Minister of Finance, when you had to be sort of a village idiot without coming up with a surplus. You had to be. Everybody came up with a surplus in those days, Mr. Speaker.

But you know what my honourable friend didn't mention — and this is the combineu statement of current and capital operations for the Province of Manitoba for the years 1968 up to 1977 — what he didn't mention was that back in those terrible years of Tory government when we had a surplus in 1968 of \$17.7 million, in 1969 they had an inherited surplus of \$18.2 million, 1970 they had \$21 million. They hadn't really gone into their spendthrift habits. And as I say you had to be a village idiot not to come up with a surplus in those days when the economy was booming; when there was no inflation.

In 1971, \$26 million, I'll give them further credit, \$26 million surplus on combined account; but 1972, here is where the trouble starts. 1972, deficit combined current and capital division excess of revenue over expenditures, \$17 million, 1972. 1973, \$14 million surplus, I'll give them one more, I'll give them one more. They're not selective. I'm just reading them right across the bottom line. 1974, \$8 million deficit; 1975, \$55.9 million deficit; 1976, \$98.3 million deficit; 1977, \$82.2 million deficit. 1978, the year we're currently in, we're going to hear from my friend, the Minister of Finance, in a few weeks about that. But right now, on a combined basis, calculated at \$225 million. So let's just add up those figures quickly, Mr. Speaker, to show what the combined deficits were; and I get them as somewhere approximating \$487 million of combined current and capital account deficits in six years. That's another part of the legacy that we're assuming as trustees on behalf of the people of Manitob, another part of the good management that was passed on to us by my honourable friends opposite. — (Interjection)—

Well, my honourable friend, the Leader of the Opposition, has had lots of time to mutter and complain, and he'll have lots of time in the Budget Speech and I invite him right here and now, I invite him here and now, when the Budget Speech is on, he can take St. Johns and Inkster and all of the others with him, explain away this legacy if you can. Explain it if you can because the people of Manitoba are carrying it like a yoke on their necks today, and if you can explain it you will be in better shape than I think you are.

These are some of the axiomatic facts of life, Mr. Speaker, that we face in Manitoba today: the deficits, the debt, the virtual crippling of common sense administration of government in this

province because there was no control. There really was no control. And I know that my friend, the Member for Seven Oaks, among others, strove to achieve some control in this government. I know because I've been told some of the horror stories. But there wasn't the control that there should have been.

There was a Planning Secretariat responsible to God knows who. Maybe the honourable member who is absent — the one from Transcona — maybe he was running the government of Manitoba. God knows who was. There was not Ministerial control in the accepted sense of that word, except in one or two departments where they had Ministers of uncommon ability such as the Member for Inkster and the Member for Seven Oaks, and very few others where there was proper Ministerial control of Estimates and spending, and reporting, and accountability — either to the Cabinet or to the Committee of this Legislature that looks at Public Accounts — no accountability. And we will get into that a little bit later I can assure you.

Mr. Speaker, there are a few other general things I want to say tonight about what I deem to be axiomatic facts of life in Manitoba in 1978, March 28th, that's where we are; we're not back in London with Marx in 1850, we're here 1978 in Manitoba — right now.

**A MEMBER:** Or with Hoover in 1929.

**MR. LYON:** I'll get to that later, too. My honourable friend has been mired in the past so long he hasn't seen daylight for 30 years. —(Interjection)— We have a word for it in the country, but he wouldn't understand it. He would regard it as being improper.

Mr. Speaker, in terms of the general thrust of this government, let me say a few words about social service. We are not dismantling the social programs in Manitoba, the bulk of which were inherited by my honourable friends, and some of which — give them credit — they added to. Not always wisely, but some of which they added to.

They had some good programs. I've singled them out on public platforms before, I'll single them out again. Pharmacare was a good program. Pharmacare was welldevised because they had the good sense on one occasion to go to the people who were going to deliver the service and say "What's the best way of doing it?" And the pharmacists will tell you that. That's a good program. It's a model program. It's working well. But there are many, many other programs where they let their silliness overcome whatever vestige of common sense they ever had to start with.

Our Estimates are going to reveal, Mr. Speaker, that the basic social services of this province will remain unimpaired, and indeed will be added to. And they are going to be based on need, and they are going to meet all of the legitimate and compassionate demands that any civilized society would want for those who are disadvantaged and those who are in need.

There are going to be, and there have been — not as many as the papers would say or the media, not as many as my honourable friends would trumpet from the opposite side of the House — but there are going to be and there have been some cuts in staff. But I say to my honourable friends again, you tell me, faced with the alternatives that you left us, you tell me what the alternative is to some of these cuts in staff — some of the cutting away of the fat. You can weep all of the elephant tears that you want, but tell me what your counter-program is faced with the kind of burden that we have to administer in this province today.

What is the alternative? Well one of the alternatives would be to cut the programs to the disadvantaged and the disabled, and so on. Would my honourable friends want to do that? No, no; they wouldn't want to do that.

Another alternative would be to raise taxes. Would my honourable friends want to do that? Well, if they would let them stand up on March 28th, 1978, in this Legislature and tell the people of Manitoba and tell the people of Canada that they are the only government in North America that wants to raise taxes right now. Let them stand up and tell them that.

And the third alternative is what? The third alternative is to start getting a dollar's worth of value for a dollar's worth of taxes which is what we're trying to do in Manitoba.

So, Mr. Speaker, you're faced with a spectrum of alternatives always and we're taking the alternative that is in the public interest. And I say again to my honourable friends if they want documentation of what I'm saying tonight they're going to get it, and they're going to get it in spades — in the Estimates, in the Budget, in the report of the Task Force, and other statements during Estimates that are going to be made. They are going to startle some of them because there are some sitting opposite there who really didn't know what was going on in their departments to start with. Some who called themselves Ministers, took ministerial pay but didn't know what the devil was going on in their own department.

Well we had to find out what's going on and we found out. We're going to tell them about it. And Rupertsland and Elmwood are going to be two that are going to hear a few things that they haven't heard before about administration of government in Manitoba.

Mr. Speaker, we intend to make government services in this province, those that are funded directly and indirectly by the taxpayers of Manitoba, not by the government of Manitoba. Let's get rid of this fraud, eh, that my honourable friends used to perpetrate. It was the government doing this; the government was doing that. It's the taxpayers of Manitoba who are doing everything. We have no hesitation, Mr. Speaker, in acknowledging the fact that we're here, on this side of the House — 33 of us — as temporary trustees of the people of Manitoba, a fact of life that my honourable friends

opposite would never acknowledge.

**A MEMBER:** And still don't.

**MR. LYON:** And still don't. They don't understand the trustee concept at all.

Well, my friend from Inkster says, "No, no". He scorns it. Let him read Harold Laski in 1928. We know all about that doctrine. The London School of Economics and all of that. He is still wallowing in it.

Well, Mr. Speaker, we intend to make government services — directly and indirectly funded by the people of Manitoba — more responsive, first of all, to the real dollarabilities of our people to pay for those services. Is there anything wrong with that? If there is anything wrong with that let my honourable friend stand up tomorrow morning, or on the Budget Speech, and say what's wrong with making the services that government offers compatible with the money that the people have to give by way of taxation. That's all we're saying.

And those who may wish to substitute, let me say this very clearly, Mr. Speaker — and I'm not referring necessarily to honourable members opposite although they would be included — those who may wish to substitute their private biases and their subjective opinions to undermine this vital provincial thrust which must be taken at this time will find us more than willing, as a government, to listen. To listen — yes; to amend — yes; to accommodate — yes; always. But unyielding, Mr. Speaker, absolutely unyielding in terms of having the will of the citizens of Manitoba as demonstrated on the 11th of October, having the will of those citizens and the public interest sabotaged or frustrated, we will not permit that.

But we will listen, we will amend and we will accommodate because as a government, Mr. Speaker, I've said it before and I say it again and I'll continue to say it throughout the life of this government — we claim, unlike our honourable friends opposite, we claim no monopoly on wisdom; we claim no monopoly on new or innovative ideas. We're only 33 people over here. We know that there are a million people in Manitoba and we know that a number of them sit opposite us who have good ideas and we want to hear them. If we can amend or accommodate our plans to good ideas, we're always willing to do that. But we are not going to lose sight of what our mandate was. We're not going to lose sight of what the people of Manitoba said to us on the 11th of October. And my honourable friends shouldn't lose sight of it. They have already lost sight of it. They got the lesson and they got the lesson in spades; they got the lesson in spades and they are sitting there because of it, because they wouldn't listen to the people before the 11th of October and they are saying now, "We won't listen to them again."

But I say that it is the duty of government, of all elected representatives in this House to listen to what people are saying. People are saying we've got too much government. People are saying we want less intrusion in our lives and in the different sectors of our economy. The people right across Canada are saying that and the people in North America, Mr. Speaker, are saying that as well. It's not a phenomenon, it's common sense.

If my honourable friends, as I said, want to wallow in the back waters and nurture themselves in some 19th Century ideology, that's their business and that's their problem. But it's the duty of any government to listen to what the people are saying and whether that manifestation of public opinion comes by way of real and genuine demonstrations as we are going to have or some that are stimulated, we will still listen. We will still listen because that is the duty of government as well.

My friend from Inkster said the other day, and he was quite right, you can't govern by demonstration and he certainly, and his colleagues certainly didn't when they had what — 10,000 or 12,000 people out on the front lawn complaining about Autopac, whatever the figure was. — (Interjections)— The figures on the deficit are audited. The figures on the crowd were diminished by my honourable friends but I think the press were there with cameras to give us some idea.

So I return the compliment to my honourable friend from Inkster. In their own dogmatic way they said, even though there was no social or economic priority for it in this province, they said, "We divine that we have a mandate to impose a state monopoly system in insurance," and they went ahead and did it. I say that they were entitled to do that. They were wrong but they were entitled to do it because that was their mandate as they interpreted it.

But I say it as my honourable friend said it the other day, that equally we must govern according to the mandate as we interpret it. We have a slightly larger mandate than my honourable friends were ever privileged to receive and let me pause for a moment on the word "privilege" because I think that any political party anywhere, anytime that receives 49 percent of the public vote in any jurisdiction should feel privileged and we do. We're not going to lose sight of that figure and we're not going to lose sight of the people who made that happen because they were doing what they thought was in the best interests of the Province of Manitoba in getting rid of my honourable friends from these benches and putting them back into opposition where I say always, Mr. Speaker, my friends in the NDP do the best job. They were meant for opposition; they were born for it. They are at their very best at it. They can't run a peanut machine but they are good in opposition.

You know, the one thing they have never been able really to understand is this, that it is in the natural order of things in parliamentary democracy that governments should change from time to time and that's healthy and that's good too. My honourable friends should understand that. — (Interjections)— I'm not listening to the nitwit interjections that come from the second and third rows. But my honourable friends should understand that, that it is healthy from time to time for governments to change and they shouldn't approach their job, if I may and I know it's presumptuous,

but they shouldn't approach their job as opposition with this kind of dialectic almost hatred toward the other side as though opinions over here don't count, as though the majority doesn't count. I know that the Leader of the Opposition does not have that cast of mind. I know that the Member for Inkster does not have that cast of mind but I almost have to stop there. I almost have to stop there. Mr. Speaker, hatred is a poor substitute for good logical debate, but we've been seeing in the last few days in this House, regrettably, from a few members on the second and third rows, more of a manifestation of hatred and blind ignorance than any constructive comments on the public affairs of Manitoba in the crucial times that we face right now and in the times that lie ahead of us.

So that may be gratuitous but I offer it to my honourable friends opposite because as I've said before, good opposition makes a good government and I think that we've got a few things to learn on this side of the House and boy you have too on that side of the House. One of them is to forget about hating the government and hating the people who represent, as these people do on this side of the House, 49 percent of the voters in Manitoba.

So, Mr. Speaker, we know what must be done in this transition back to common-sense government and we are going to reserve the right, as all governments have from time immemorial, to interpret the will of the people as evidenced in the mandate that we received in the election last fall. We know what our mandate was and we're going to proceed to carry it out despite whatever short term pains there may be to it, political disadvantage, sure. My honourable friends suffered it. I give them credit for that too. But as long as you are doing what you think is right, as the former Member for Transcona used to say, never mind your ideology or anything else, do what you think is right, and that is what we are attempting to do on this side of the House as my honourable friends from time to time attempted to do.

I think that that is the best shield against adversity in politics or in life or in any other field of activity.

Mr. Speaker, during the election campaign my honourable friend, the Leader of the Opposition, made much of a background paper that was turned out, talking generally, philosophizing about the aims of the Conservative Party if we came into office, and he picked out one sentence, the wording of which was certainly not mine but a sentence that was used and I'm going to remind him of that sentence tonight because he made an issue out of it. He made an issue out of it. "Now, different factors," this document said, "must firm and shape our view of the future. To begin with, we must learn to live again with acute protractive restraint in our economic life." Now, Mr. Speaker, if I had been writing those words, I don't know if I would have put in either "acute" or "protracted" but I would have certainly said "restraint." But I didn't make an issue out of this. We published this document and my honourable friend went on TV and radio and the printed media and so on and he made a great thing out of it. He said, "Here are these Tories," you know, "they are going to try to drive you back into," to use the favorite expression of the Member for St. Johns, "back to the time of Hoover and Bennett and so on." You know, he has been living in that period for so long — he isn't even aware that Harry Truman took over from Roosevelt.

Mr. Speaker, my honourable friend made an issue out of it. He made a big issue out of it, in published ads, on TV and everywhere else. What did the people of Manitoba do? We didn't make the issue out of it, he did. The people of Manitoba turned around and said, by 49 percent, well, if that's what they mean, okay. Yeah. My honourable friend and his colleagues would do well to remember it, even though the words were harsher and more expansive than I would have used. Because we are not, today, Mr. Speaker, we are not today in a period of either acute or protractive restraint. We're in a period of common sense restraint. That's all that's needed. Common sense restraint. And no matter how much my honourable friends opposite and some of their friends in the media may try to blossom it up, no matter how many hand wringers may move around and say, "Oh, isn't it terrible about this happening and that happening", the facts are going to come out. They're going to be seized of in the last five months, and we've only been in office five months. Had a lot of homework to catch up on, a lot of horror stories to read. A lot of book balancing to do, and it's not all balanced yet. A lot of funny purchases from people like the Member for Elmwood and so on to catch up on that we haven't quite caught up on yet. You'll hear about some of them too. The art connoisseur, the Member for Elmwood, yes. The art connoisseur.

Mr. Speaker, as I said, we know what has to be done and we're proceeding to fulfill our mandate to the people of Manitoba. That is our first challenge, to demonstrate in Manitoba that government can and that government will, and it must, in the public interest, be brought under common sense control. That's all we're doing today. That's all we've been doing for the last five months and that's what we intend to continue doing.

Mr. Speaker, we've heard various complaints from honourable members opposite during the course of question periods, and some of the Speech from the Throne Debate, about the hospital situation in Manitoba, and it's true. We had to announce before the end of March of this year what the budgets were going to be for the hospitals, what the rate of increase was going to be. To hear my honourable friends opposite, to hear some of the hand wringers in the newspapers and so on, you'd think that we'd slashed them back 25 percent. What we did was increase the budgets. — (Interjection)— Well, my honourable friends scoff and they laugh, but where were they going to get the money to increase the budgets? From more taxation? From cutting social services or from firing civil servants? They've got three choices, where were they going to get them?



**A MEMBER:** What's your options?

**MR. LYON:** Well, those were the options that faced us. What were you going to do?

**MR. EVANS:** Cut them.

**MR. LYON:** Well, Mr. Speaker, it's evident that the Member for Brandon East, from 1969 to this day, never did understand how to balance anything bigger than a savings account, let alone the Budget of Manitoba. So I merely say this, we have asked all sectors of the economy in Manitoba, all sectors, to see the people of Manitoba through this difficult transitional period. The doctors, we're asking the health people, we're asking the universities, we're asking all sectors, the public service in Manitoba, all sectors, to curb demands to see us through while we try to restore some semblance of order to the public affairs of this province.

Mr. Speaker, we're not unaware of the fact that the per capita health expenditures, province by province, are known, the statistics were known to my honourable friend, on a per capita basis. Health expenditures in Manitoba in 1977 were \$434.21 per capita. That was the highest expenditure of any province in Canada.

**A MEMBER:** The highest.

**MR. LYON:** The highest. Not the lowest. Mr. Speaker, the average for Canada was \$412.96. Now we're not saying, we're not saying in a simplistic way, that that means that our services were fat. We're merely saying that we think that with the highest per capita expenditure of any province in Canada that we can afford at least one year of very limited increase. And I don't think that that's an unfair proposition. And I don't think that the administrators or the boards of the various hospitals in Manitoba, I don't think that they're going to find that an unreasonable request either.

Mr. Speaker, I don't think that the university students or the Boards of Regents, the Boards of Governors of the various universities, are going to find it an uncommonly tough burden to bear when we're asking them, as part of the community of Manitoba, to help see their affairs through this transitional period, the legacy left by my honourable friends opposite. When we asked them, through the Universities Grants Commission — acknowledging the fact that we have about the lowest tuition fees of any province in Canada, indeed, somebody said to me, and it made the apocryphal, somebody said to me as recently as today, that in Alberta there were some three or four thousand people, university students, on the lawn of the Legislative Building wanting to hold the tuition fees in Alberta at the same rate that our tuition fees would be if they went up. So that gives you some idea of what's happening across the country today.

Mr. Speaker, my honourable friends weren't unaware of this fact, but I remind them of it right now, and I remind the people of Manitoba of it, in fairness and in equity, that the tuition fee income, that is the proportion of university costs that is borne by tuition fees in Manitoba, represents today, as they presently stand, something like 9 1/2 to 10 percent of university costs. And another 3 percent, roughly, comes from other sources, so that the taxpayer of Manitoba — up until recently the over-burdened taxpayer of Manitoba — is still today paying 85 to 87 percent of all of the costs of higher education at university level in Manitoba.

Mr. Speaker, the taxpayers are providing some 85 to 88 percent of tuition for all university students in Manitoba. The total increase in finances this year, Mr. Speaker, if the tuition fees go in, will reduce that figure to somewhere around 85 percent that is being paid by the taxpayer in Manitoba.

Now if my honourable friends or anybody else thinks that that is a tremendous burden that shouldn't be borne by people who are going to university then let them stand up on their hind legs and say so. I know this, that when we left office in 1969, that the average student in Manitoba was paying something

8 like 18 percent of the costs through his tuition fees. And if my honourable friends opposite are trying to say to us that university should be tuition free let them stand up and say that, too. Let them stand up and say it. And then when they say it let them tell us where the money is going to come from because that's the other part of the proposition.

So let's not hear my honourable friends opposite going out catering to the emotions of the moment at any university saying, "Oh, this is what we would do", or "That's what we would do."

Let them answer those two basic questions. Do they think it's unconscionable in Manitoba in 1978 that through the tuition fee process that university students should be asked to pay 14 percent of the costs of their education through tuition? If they think that's unconscionable, let them stand up and say so. And if they think it's unconscionable . . .

**MR. GREEN:** It's wrong.

**MR. LYON:** My honourable friend from Inkster says it's wrong. He is on the record now as saying that's wrong. Well then all he has to do in the balance of this debate, or in the Budget Debate, is tell us where he is going to get the money from. And add to the \$225 million deficit that he has already left.

Mr. Speaker, even though my honourable socialist friends opposite and I know that they don't like

that word but, you know, a rose by any other name. Even though my socialist friends opposite apparently prefer to remain cemented in their nineteenth century Marxist ideology, those of us — the majority of us in this country — even Allan Blakeney, even Allan Blakeney; have you heard of him? He is the fellow who just reduced the personal income tax from 58 to 53 points. Wasn't that a strange thing to do? Yes.

Those who wish to face the challenges of the seventies and the eighties and not remain mired cannot afford such a luxury. We can't afford the luxury of this kind of ideological inflexibility. Because, come on fellows, we're in the seventies and in the eighties. You know, we're not back with St. John, with Hoover and Roosevelt, we're not back with Harry Truman. We're not back with Louis St. Laurent. We're in the seventies and the eighties. We've got to face facts as they are today, not as we would wish them to be but as they are. And we can't afford the luxury of that kind of intellectual sterility which seems to have afflicted my honourable friends opposite — both when they were in government and now when they're in opposition — and that kind of tunnel and blinkered vision that they now seem to bring to all problems of public affairs.

We must look to, Mr. Speaker, and we must respond to the lessons of history in a contemporary and a realistic way. Government intervention, government spending, government share of our citizens' wealth must be curbed and the whole framework of economic and political freedom in this country and, indeed, in all western nations that treasure such freedom, the whole framework of economic and political freedom rests on such a need today. And if you doubt those words, look to good old Britain. As somebody said, "It used to be Great Britain until the Socialists got ahold of it, now it's just Britain."

Look to Britain with 62 percent of the GNP being sucked away by government in taxes. Just look to Britain and look where they are on the economic scale. Look where they are on the freedom scale today.

And as I've said before, even the Socialist Premier of our adjoining province is showing an example to my honourable friends which they're not paying too much attention to. Isn't it wonderful, somebody remarked about the French Revolution, isn't it wonderful how a person's imminent execution so concentrates his attention. And that is what's happening in Saskatchewan today.

So we see the tax reductions. We see the deficit budgeting. We see the Heritage Fund in Saskatchewan. We see a pretty lean Civil Service in Saskatchewan by comparison to what we have here — a pretty lean Civil Service.

But all we hear, Mr. Speaker, from across the way from my honourable friends — particularly the Leader of the Opposition — was how dogmatic and how doctrinaire we were. Well, you know, it's one of the ironies, I suppose, of history that Socialists will try to visit upon other parties the sins that afflict and the diseases that afflict them.

The ideological inflexibility is not here, Mr. Speaker. It's right across the way — right across the way. Throwing money at problems; increasing the deficit; not looking at what the spectrum of options are at all, just catering to every emotional need; showering elephant tears on the civil servant whose term contract has expired or on the contract civil servant whom they hired to try to cook their own figures and to put their own people in their own places. Not in the Civil Service but to avoid the Civil Service Commission, now shedding elephant tears for their party card-carriers. We know about them, too.

**MR. DOERN:** Crocodile tears.

**MR. LYON:** Mr. Speaker, we know about the talk of dogmatism, and so on, from the other way that is attached to us as though we think that the private sector is the be-all and the end-all, as though we don't acknowledge — as I acknowledge practically every time I stand on my feet — that a mixed economy is what we live in in this country and what we have lived in in this province for a long time, as though I don't acknowledge — as a former Minister of Utilities back in 1962 before three-quarters of my honourable friends were even in this House — that Hydro was one of the big capital spenders in Manitoba. Of course it has been and will continue to be. And if my honourable friends opposite hadn't run it into the ground we would be building facilities properly in Manitoba today. But that discussion is left to another forum.

So when they accuse us, Mr. Speaker, of being doctrinaire, and so on, I ask them would they adopt these words? "We need patience and goodwill and we need to realize that there is a limit to the role and the function of government." Does everybody agree with that? Government cannot solve all of our problems, set all of our goals, or define our vision. Government cannot eliminate poverty, provide a bountiful economy, reduce inflation, save our cities, cure illiteracy, provide energy or mandate goodness. Only a true partnership between government and the people can hope to reach these goals. And those who govern can sometimes inspire, and we can identify needs and marshal resources. But we cannot be the managers of everything and everybody.

But my honourable friends dispute those words. —(Interjection)— My honourable friend now, after the election, says "That's all right." After eight years of doing just the opposite of it he says now it's all right. Is that Tory dogmatism? Is that kind of the inflexible attitude that you find from this so-called "right-wing" government that you would like to identify and firm into the images of the people of Manitoba along with some of the writers or some of the sycophants in the press? Is that what you would like? No.

Well those weren't my words, Mr. Speaker. No; those weren't my words at all. Those were the words of President Carter of the United States, another kissing-cousin I suppose of my honourable

friends opposite.

And merely what I'm trying to tell them is "Come on, get with it fellows; you're not really with it as to what's happening in political North America today. You're living way back in the nineteenth century."

Mr. Speaker, first the economy must keep on expanding to produce the new jobs and the income that our people need.

Second, private business — not the government — must lead the expansion. Is that right-wing Tory philosophy? No, that's President Jimmy Carter giving the Congress the State of the Union Address in the United States. Is he a right-wing Tory?

**MR. GREEN:** Not what he says what you'll say.

**MR. LYON:** No, but what we're saying, Mr. Speaker, because we are a Conservative government, what we're saying of course is ideologically inflexible and right-wing, and doctrinaire, and dogmatic, and so on. Visiting their disease, or trying to visit their disease upon us. It doesn't work. It doesn't wash because you're swimming like a salmon against the spring, against the river. Only when you get up there you're not going to lay any eggs, you've laid big enough ones already.

We must lower the rate of inflation and keep it down. Inflation slows down economic growth and it is the most cruel to the poor and the elderly, and others who live on fixed incomes. Did Sterling Lyon say that? No, Jimmy Carter said that. And my honourable friends opposite say oh well, we want to throw money at problems, we want to increase the deficits, and so on.

However, we know that in our free economy private business is still the best source of new jobs. Did a right-wing doctrinaire Tory say that? No, no, President Carter said that about two months ago. Is he a right-wing Tory?

**A MEMBER:** No, he is a peanut capitalist.

**MR. LYON:** Well . . . a peanut capitalist. My honourable friend, there he is you see — back into it — capitalist and communist and everything else. My honourable friend has fed on capitalism all of his life and done very well by it, and he has attacked it every day of his life. He won't even acknowledge his own financial — (Interjection) — Well, I'm not saying.

Mr. Speaker, I could go on. Was there some right-wing Tory who made this statement that what the people in Canada must do, the steps that the governments in Canada must take are to strengthen the business investment climate, and the First Ministers see an expanding private sector as the major impetus for growth in the Canadian economy? Was that a right-wing Tory statement? No; that's the First Ministers' Conference communique of last February. And you know who signed it? Every Premier in Canada and the Prime Minister of Canada, too.

And you know something else? Allan Blakeney's hand didn't shake when he signed it. And is he a Tory reactionary for saying what we are attempting to practise here and what we told the people of Manitoba we would do? And from the communique the governments agreed that the expansion of jobs should come to the largest extent possible from the business investment in the private sector, the development of new sources of energy, and from a more rapid growth of exports and imports. And did they not also say "The trend of government expenditures growth should be held on average to less than the trend growth and the value of GNP or provincial gross product. In this context, however" — and I'm putting all of the provisos in — "it was agreed that capital expenditures of a revenue-producing nature were important to economic growth and development."

Is that right-wing Toryism? No; that's every Premier in Canada, including the last bastion of Socialism — a fast dwindling one, I might add — in Saskatchewan. And even Trudeau; God pray that Mr. Trudeau's actions would match his rhetoric. Because if they did we would be on a better financial footing in this country today than we are.

Mr. Speaker, one could go on *ad nauseum* to explain to my honourable friends opposite the facts of economic and political life in this country today which they seem to be totally blind to, living blinkered, blind, in their own little ideological cells and then trying and presuming to tell a new government trying to clean up their mess that we are doctrinaire. Really!

**A MEMBER:** Very doctrinaire.

**MR. LYON:** Well, if we're doctrinaire then so is every other head of state in Canada and so is the President of the United States, and any other leaders that you may wish to attach it to, including Mr. Blakeney. And indeed, as the Member for St. Matthews pointed out the other day, listen to one of your own. Callaghan said, "Look, the people in Britain today don't want us to spend any more money. They want to keep more of their own money and we've got to give tax cuts." That's Callaghan. If you don't believe me, believe one of your own — a trice-dipped Socialist. — (Interjection) — It has something to do with sheep.

Well, Mr. Speaker, we would love in furtherance of the second part of that program announced in the communique — the energy development — we would love to be able to develop Limestone today — the \$1.2 billion, 1,000 megawatt station on the Nelson River, but there is no market for it. My honourable friends know that because their Hydro Board postponed it for two years.

**A MEMBER:** They didn't tell the people though.

**MR. LYON:** They didn't bother telling the people of Manitoba why they were doing it. And as I've said, we will leave it to another arena to make the decision as to why.

But Mr. Speaker, you've got to find a market. You don't build public works of that size until you've got a market for the product.

**A MEMBER:** That never stopped the Member for Elmwood.

**MR. LYON:** No, that's a very interesting point, it didn't stop the Honourable Member for Elmwood from building a provincial garage for which there was no cost benefit and we didn't need, from buying office space that we didn't need, from having no financial control over space in Manitoba. It didn't prevent the Minister in charge of Housing from building housing that's still vacant in The Paskapouas that we can't get rid of, and some in South Winnipeg, and some in Russell and other places throughout Manitoba. It didn't stop them from having Winter Works Programs over which there was no control. It didn't stop the government Air Service from expanding like the Red Air Force, which it became known as, jokingly. Fifty percent reduction I am told — figures subject to correction because we have only been in five months — 50 percent reduction in hours flown already. Just by the simple technique of what? Saying to the person who ordered the trip "What's the purpose of the trip?" Fifty percent reduction, that's some of the kind of control that Public Works, Northern Affairs, and others have. No control at all. Couldn't run a peanut stand. Couldn't run a peanut stand let alone a government in Manitoba.

My friend the Leader of the Opposition said on radio as reported to me the other day — and he can deny it if it's not the case — "Well, there probably was some reason for cutback in Northern Affairs, probably we would have got rid of 100." If I'm wrong in that, my honourable friend can say I'm wrong. That's the report as I received it.

**MR. SCHREYER:** . . . be more precise.

**MR. LYON:** When I'm through.

**MR. SCHREYER:** . . . because there is need for a little . . .

**MR. LYON:** But if he didn't say it, fine. I accept his word if he didn't say it. There has to be contractions in the Civil Service and he's admitting it.

Mr. Speaker, one could go on and we shall go on. We shall go on during this session. But tonight, Mr. Speaker, I want to end by recapitulating some of the points that I have made, that we know the course of action that we're embarked upon. We know that there are some dislocations and hardships that result from that and we regret those very deeply and very sincerely, particularly to those members of the public service who were improperly hired by my honourable friends opposite when they had no controls going whatsoever and who now find, that because they were part of the fat of the operation, that they must be let go. But the bulk of them, the bulk of the people thus far who have been detached from government service, have been detached either through attrition, through termination of contract or term employment. —(Interjection)— If my honourable friend wants to talk about his \$40,000 a year Socialist friends, that's fine.

**MR. CHERNIACK:** Saturday afternoon slaughter.

**MR. LYON:** Yes. If he wants to talk about his fired Deputy Ministers, that's fine. And if he's got any more he wants to identify we'll show them the door, too.

**MR. CHERNIACK:** Tell us about it. Tell us.

**MR. LYON:** Mr. Speaker, we're engaged in the process of putting the government's House in order, putting the House of public affairs in order in Manitoba. We're in a transitional period. We know that some of the changes that are being made and some of the actions that are being taken are certainly not popular, but we have to do them in order to get rid of this legacy of debt, and this legacy of deficit, and this legacy of bad management that we inherited, and we're going to proceed to do it. In the meantime I just say to my honourable friends, that elephant tears, crocodile tears, or whatever, don't really help the situation at all. They can emote all they wish. If they've got positive constructive things to offer we'll be happy to listen at any time anywhere, because we, as I've said before, do not have any monopoly on wisdom.

But if we have one thing, Mr. Speaker, that my honourable friends probably, I think, appreciate as much as we do — I hope they do in any case — we do have a faith in the people of Manitoba. We do have a faith in their will to see their government through this transitional period. They may not agree with everything that's being done. They may not like everything that's being done, but they know it has to be done.

We know that our people in this province and in this country are capable of sacrifice; those of us who are old enough to know can remember the extreme sacrifice that was made by many of our citizens in the Second World War. We know they're capable of sacrifice; we're not asking for anything like that now at all. We're asking for some diminished expectations, some diminished expectations.

We're asking to . . . reasonable collective bargaining in this transitional period by groups who will be affected.

We're asking for an understanding by all people of Manitoba that their affairs — to use an expression I've used before — were in an unholy mess, and while we sort them out we need their understanding, we need their advice and particularly we need their co-operation from all groups, whether it's doctors or university students or people in the social work field or whatever; people in the construction field or whatever, we need their understanding as we work our way through this difficult transitional period. I'm sure that we'll get it.

So, Mr. Speaker, I close tonight by saying that notwithstanding the problems that we face, notwithstanding the work that we have at hand at the present time, that we will see our way through it. The Province of Manitoba is fundamentally strong and its people are stronger than any government it's ever had, and the people will see us through this transitional period; and I'm sure my friends opposite will see us through it, too. We'll all live to see a better day in Manitoba down the way. Nothing is going to be ruined. Manitoba, as I said at the beginning, has a great future lying ahead of it, a great opportunity for improving the quality of life in this province and the will of the people is the strength of this province, not any government.

**MR. SPEAKER:** According to the rules of our Assembly, under Rule 35, subsection 3, and I want to read it to you: "On the seventh of the eight days of the Throne Speech Debate, if an amendment is under consideration at thirty minutes before the ordinary time of daily adjournment, the Speaker shall interrupt the proceedings and forthwith put the question on any amendment or amendments then before the House."

The hour of 9:30 is almost at hand. If the members consider it to be 9:30 I can now ask the members of the Chamber if they are ready for the question on the amendment proposed by the Honourable Leader of the Opposition. Do you want the amendment read out?

**MR. CHERNIACK:** Mr. Speaker, on a point of order.

**MR. SPEAKER:** Very well. The Member for St. Johns on a point of order.

**MR. CHERNIACK:** I would like to hear the amendment read, Mr. Speaker. We're about to vote on it.

**MR. SPEAKER:** Very well. On the proposed motion of the Honourable Member for Crescentwood for an address to His Honour, the Lieutenant-Governor in answer to his speech on the opening of the Session; and the proposed motion of the Honourable Leader of the Opposition, in amendment thereto as follows:

That the motion be amended by adding the following:

But this House expresses its regret that the government has:

1. Followed policies and practices that do not remedy but worsen the problems of economic stagnation and unemployment.

2. Caused uncertainty to spread in the private and public sectors as to the levels of construction and other economic activity, thereby creating in turn a no-expansion, no net new employment condition.

3. Caused a downturn in employment prospects for youth and for whole regions of this province, and therefore the prospect of a return to net population loss of people from this province, reminiscent of 1963 to 1965.

4. Not defined its intentions in Family Law and in a way consistent with this commitment to honour the principles of the original legislation.

5. Failed to adequately support local governments in providing services to their citizens and forcing local property taxes to be increased unduly and encouraging the greater reliance on user fees, e.g., transit fares.

6. In announcing a check off without referendum, ignored the fact that a referendum of beef producers in recent years had defeated the check off on beef cattle.

7. In announcing vague intentions to repeal farm land protection legislation, has failed to recognize the need for facilitating the entry of young people into agriculture.

That is the amendment as moved by the Leader of the Opposition.

**QUESTION put, MOTION defeated.**

**A MEMBER:** Yeas and Nays, Sir.

**MR. SPEAKER:** Call in the members. We're voting on the proposed amendment moved by the Honourable Leader of the Opposition.

**A STANDING VOTE** was taken, the result being as follows:

**YEAS:** Messrs. Adam, Barrow, Bostrom, Boyce, Cherniack, Corrin, Cowan, Doern, Evans, Fox, Green, Hanuschak, Jenkins, McBryde, Malinowski, Miller, Pawley, Schreyer, Uruski, Uskiw, Walding.

**Tuesday, March 28, 1978**

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**NAYS:** *Messrs. Anderson, Banman, Blake, Brown, Cosens, Craik, Domino, Driedger, Einarson, Enns, Ferguson, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, Lyon, Mac-Master, McGregor, McKenzie, Mercier, Minaker, Orchard, Mrs. Price, Messrs. Ransom, Sherman, Spivak, Steen, Wilson.*

**MR. CLERK:** Yeas 21, Nays 29.

**MR. SPEAKER:** I declare the motion on the amendment lost.

On the proposed motion of the Honourable Member for Crescentwood, seconded by the Honourable Member for Portage la Prairie, for an Address to His Honour the Lieutenant-Governor in answer to His Speech at the opening of the Session. Are you ready for the question? The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Selkirk that debate be adjourned.

**MOTION presented and carried.**

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

**MR. JORGENSON:** Mr. Speaker, I move, seconded by the Minister of Highways, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned until 10:00 a.m. Wednesday morning.