

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, March 20, 1975

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have Scouts of the 1st Kirkfield Scout Troop, 22 in number, ages 11 to 14, under the direction of Mr. Kasmir. This school is located in the constituency of the Honourable Member for Assiniboia, I believe.

And we also have Scouts of the 171st Winnipeg Scouts, 6 of them, also age 11 to 14, under the direction of Mr. Woodford.

On behalf of all the honourable members I welcome you here this evening.

Before the supper recess we were on Bill No. 7 and the Honourable Minister of Labour had the floor. The floor is now open on that particular question. The Honourable Member for Lakeside.

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MR. ENNS: Mr. Speaker, in the very briefest of words, and in the absence of the Honourable Minister of Labour, who was I think beginning to resurrect a fairly effective filibuster on his own Interim Supply Bill, let me simply say that if his contribution made this afternoon was to be taken seriously then indeed the remarks made by my Leader earlier on that same afternoon should be listened to with a great deal more attention.

The fact that the Honourable Minister of Labour has a time of admitted - and when I say admitted difficulties, admitted by himself and indeed by all of us in this Chamber, I think by all responsible peoples in the Province of Manitoba, admittedly difficult period of time facing them with respect to labour unrest, with respect to inflationary demands made by all sectors of our community both public, business and labour, that if his sole contribution to trying to resolve those problems was the kind of diatribe that we listened to this afternoon, then, sir, my heart begins to bleed for the welfare of the Province of Manitoba.

A MEMBER: Hear. Hear.

MR. ENNS: And if that was to be considered in any way a reasoned response to some of the legitimate arguments put forward by this side of the House, you know, then I beg some understanding of what reason is all about.

Mr. Speaker, a year ago we were under considerable pressure for delaying a similar bill, namely, Interim Supply. We felt that at that particular time we had the right to use this vehicle as one of those vehicles that an opposition has to impress upon the government of the day certain important matters, matters that were at least important to us as Her Majesty's Loyal Opposition and we've received nothing but condemnation for doing so. For which, by the way, we don't apologize. But this government, and more particularly the Minister of Labour, has chosen this bill to attack the Opposition - well to put it kindly, sir, in a most unparliamentary way. He has suggested, and the Hansard of tomorrow will provide the proof of that, that the sole purpose of Her Majesty's Loyal Opposition is to screw another buck out of labour. That coming from the Minister of Labour of this province. That coming and being directed towards a group and a party that established the Department of Labour in this Province of Manitoba. That coming from a group and a party during its tenureship of office of some nine years that had an unprecedented, unprecedented record of labour peace and co-operation between labour and management. Now the fact that this Honourable Minister and this Government finds itself openly admitting, virtually every day they've come into this House during this Session, that labour and management relations are in a mess; that his response to the whole problem is spelled out in one word "Wow", and that if all else fails he blames Her Majesty's Official Opposition.

Well, Mr. Speaker, I suppose that it could be expected that a whipping boy has to be found in this matter. I suppose that he can turn a deaf ear to some of the relatively substantial suggestions that have been made from this side of the House, notably by my colleague the Member for Fort Garry. We're prepared to sit down with this Government in whatever form they choose, reconvening of the Industrial Relations Committee, reconvening or constituting a new form bipartisan legislative group to assess the difficulties that the province faces. But that was all brushed aside this afternoon. And quite frankly I suppose as an opposition member I should say "Thank you" to the Honourable Minister of Labour, because for a moment at

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(MR. ENNS cont'd) least our group as represented by the Member for Fort Garry had indicated a degree of willingness, a degree of responsibility on our part, to at least share with the Government, to show some understanding for the very real difficulties and the problems that they face that are not entirely of their making, and which we certainly indicate our preparedness to acknowledge that. But the Minister of Labour has said, "That's nonsense. We're here for only one purpose, that's to screw the last buck out of labour." I'm quoting the Minister of Labour's words.

A MEMBER: Right.

MR. ENNS: That's our only purpose on this side of the House. So let's understand that it's with that kind of, you know, acknowledgement by the Government, by responsible Ministers of that Government, that we've put back into the hands of honourable members opposite the responsibility that they in fact have, and have had for these past five years. So, Mr. Speaker, I rise only because there have been a few other occasions where a speech has been made by members opposite that has been allowed to stand on the record, you know, without some kind of response.

Now I can recall and look particularly at my honourable friend the Member from Flin Flon, who I once allowed to stand up in this House and say, that I, as the then responsible Minister, or the party that I represent, had no concern for safety for miners. Now he made that statement once and I didn't stand up at that moment, as the Honourable Member for Sturgeon Creek stood up in a moment this afternoon to correct the kind of libelous statement that the Minister of Labour made. I didn't stand up on that particular occasion, and allowed it to be unresponded to in the public record, and I know from this day on he has used that against me personally and against my party personally, that the Conservative Party stands for, you know, liking to see miners killed; you know, that's what we stand for. And this is why I rise, the only reason why I rise today, is to not let stand on the public record a responsible Minister's remarks that suggested that the Conservative Party stood for "Screwing labour out of their last buck". That is what he said, and that's what I'm standing up to indicate to you is not that position. I believe the record, the position of the Conservative Party with respect to its responsible attitude towards labour stands on its own record, sir, but unless, you know, an effort is made from time to time to keep that record straight, then we have some responsibility, and I accept that responsibility . . .

MR. SPEAKER: Order please. The Honourable Member for Flin Flon state his point of order.

MR. THOMAS BARROW (Flin Flon): On a point of order, Mr. Speaker. I refer back to a speech made last year, or the year before, and I said, the Minister of Mines at that time was the Honourable Member from Lakeside, said, "We are not interested in safety, we are interested in production".

A MEMBER: Balderdash!

MR. SPEAKER: The honourable member state his point of order?

MR. BARROW: Well he definitely misconstrued my remarks. This is what he said, and this is what I said, and he said to prove that, and I said, "I'm willing to prove that, witnesses are available". Then he took it no further.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, on the point of order. Let me then ask him, prove it. You know this is the problem. He made those kind of statements into the . . . and this is the only reason why I'm rising now. He made those kind of statements into the public record; they were allowed to stand. You know, the fact is, have we arrived at this kind of French Revolutionary Court where the innocent has to prove their innocence.

A MEMBER: That's your . . .

MR. ENNS: No, it's bloody nonsense.

A MEMBER: Well, you made the rules.

MR. ENNS: It's bloody nonsense. And I ask my honourable friend from Flin Flon today to show me where, show me on what public occasion those remarks that were referred to me, that he has erroneously referred to me, as having ever been made, where he can substantiate them in any form whatever, in any form whatever. And, sir, when he has that proof, then he has a point of order. Up to now he has no point of order. Up to now he has no point of order, sir.

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MR. BARROW: Point of order.

MR. SPEAKER: Order please. Would the honourable member state his point of order.

MR. BARROW: On the same point of order, Mr. Speaker.

MR. SPEAKER: There was no point of order to begin with. The honourable member is out of order. The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, you know I believe your ruling is correct. If it can be shown that a statement that I am making now is obviously out of keeping with the public record then I'm sure with the coaching of the former Minister of Finance, you know, the Honourable Member from Flin Flon would have that at his fingertips. But the fact of the matter is, there is no such record. You know, and a little bit of beerhall gossip that the Honourable Member from Flin Flon decides to take as verbatim, doesn't substantiate any kind of proof.

MR. SPEAKER: Order please. I wonder if we could get back to Bill 7, the Interim Supply.

MR. BARROW: On a point of order, Mr. Speaker.

MR. SPEAKER: The honourable member state his point of order?

MR. BARROW: The honourable member is insinuating this was beer talk or beer parlour talk. It was not. I made the statement . . .

MR. SPEAKER: Order please. The honourable member is just supplying information, that's not a point of order. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, let me follow your admonition that we get back to Bill No. 7. Our group, and our party, wants to see the necessary funds provided for this Government to carry on the business of this Government. We have no intention to further any delay in the passing of Interim Supply necessary to the orderly conduct of government. My purpose for rising was simply, at least on the public record to, you know, to set a few things straight with respect to some of the remarks made this afternoon by the Minister of Labour, who, by the way, and, sir, I must admit you have tactfully reminded him several times to perhaps confine his remarks to Bill 7, but which he chose to ignore, then scurrilously attacked the Official Opposition on some of the matters that I just raised. I'm satisfied, sir, that my purpose has been served, I do not wish to delay the passage of Interim Supply so necessary for the carrying out of the responsibilities of this Government.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, it certainly isn't my intention either to prolong this proceeding on Bill 7 any longer than necessary, but I feel I must rise on somewhat the same basis that the Member from Lakeside did, that he was prompted by the stormy petrel who occupies the seat of labour to make a response. I felt that considering that the Minister of Labour also took me to task this afternoon before I had any chance to say anything, that I wouldn't want to disappoint him by not at least making sure that the breaths that he expressed in disapproval should at least have some substance. I think it, at the same time, is necessary to make some comment or some assessment of the issues that were raised this afternoon by the Leader of the Opposition because they, I think, are pertinent to any discussion of the financial position of the Government at this point, and I think require some further development in order that we not leave the impression that the point of view of government in opposition is one of simple sort of whites or blacks, or sort of clear-cut dichotomies, because I was interested to see that the Leader of the Opposition, and I think quite properly so, took the Government to task for demonstrating a lack of leadership in economic affairs, and particularly in the lack of response that they were making towards the problem of inflation.

But unfortunately, and to my great regret, the Leader of the Opposition in making that attack then fell back into almost a time-honoured Tory tradition, and that was to begin to raise once again the whole question of the spectre of, let's cut taxes, let's attack the Civil Service, which I think is probably far too hackneyed and irrelevant in approach to what we all acknowledge to be a very serious problem. I was wondering why the Leader of the Opposition would do this because I've been reading in the press lately how he prides himself, or at least some people in his staff pride him as being the leader of the progressive side of the conservative wing of the party. I was somewhat surprised first when the Leader of the Opposition first said, that he no longer believed in the Keynesian theory, but I didn't realize that while that may be a sound point of view that he was all of a sudden reverting back to the theories of Calvin Coolidge, or Herbert Hoover, or perhaps R. B. Bennett would be a more appropriate

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(MR. AXWORTHY cont'd) analysis. Because all of a sudden he was beginning to say that we were - and how often have legislative chambers of this country reverberated to these calls of, "Let's cut taxes; let's stop the civil service", all these kinds of things, which frankly when you add those particular points of rhetoric, plus 25 cents, gets you a ride on a Winnipeg bus these days, that they are so easy to say but really make so little sense in terms of the problem you're trying to address.

Because I think the question that should really be looked at is not exactly sort of cutting back, stopping, and all the rest of that kind of thing, because we should have learned a lesson going back to the last depression, that you simply don't sort of turn the tap off, because if you turn the tap off you also turn off the economic dynamic of the country. One of the reasons why government spending is theirs is because it is also creating its own economic impulse. I think what we have to recognize in this particular age that we're in, is that we tread a very fine balance between an inflationary situation and a recessionary one. Unless you're prepared to balance and fine tune in a much more careful way, then what the Leader of the Opposition was suggesting you're going to find yourself sort of turning the balance on the other side and depressing yourself very seriously into an issue. But what he should really have been raising Mr. --(Interjection)--Well just wait, your turn's coming. Mr. Speaker, the question they should have been raising is not so much about stopping, but how do you spend your money? The question that should have been raised is this: Where is the potential jurisdiction of the province to take action in the field of inflation? We have heard excuses or rationalizations from the First Minister, and other members of the Cabinet, that after all this is an international problem, it's a national problem, there is nothing we can do about it. I don't have the Hansard in front of me but I believe in the First Minister's reply to the Throne Speech he in fact said, "Look, there is just nothing we can do." Well I think that is the point that we should take issue, because there are areas in which the Provincial Government can take a direct response to meet the problems of inflation. What we should have really been looking at is, what are the specific kinds of strategies that a provincial government can adopt to contribute or play its part in dealing with the problem of increasing and spiralling prices? Not on the one hand that they do nothing, which is what we've been hearing, but on the other hand say, "Let's head for the hills and cut back, and do all the rest of these things." The real question that we should be zeroing in on at this time in this House is, where do we aim our sights? What is potentially within the capability of a provincial legislature? Where is its power to try to provide some amelioration of the effects, to try to dampen the inflationary spiral, to try and provide for some response to particular kinds of problems?

I think that all members of this House, I thought, had acknowledged till I heard the Leader of the Opposition, acknowledged that much of their responsibility rests on international financial arrangement; certainly a great deal of the responsibility depends upon the actions of the Federal Government, and certainly we all must take cognizance of the responsibilities of labour and big business and other kinds of major institutions. We must take cognizance, which I don't think has been put enough emphasis on, are the responsibilities of our public service institutions such as universities, and Crown corporations, and social agencies, to make sure that their budgeting is in order, and that they're aiming at proper objectives, and their expenditures are in line.

But it still comes back to the question which is still abegging, and that is, where and how can this Provincial Government at this time begin to apply itself seriously to the problem of adjusting its own expenditure patterns, its own investment patterns, in order to effect the problems of inflation in an effective way. I think that this is the most serious condemnation that can be made of the present government, that they haven't really seriously applied the range of instruments available to them, fiscal, monetary, programmatic policy to say, how can we help the problem?

I would make this case, Mr. Speaker, that there are a couple of areas which are peculiarly sensitive to provincial initiative; that there are areas where the Provincial Government itself should take the leadership, because if it doesn't the other levels of government and the private sectors are reduced in their capacity, do not have the same ability to make an impact.

I would point out in one area, which I think has a major inflationary push at the present time is in the area of housing, that if you look at the statistics that we're facing in the City of Winnipeg and the Province of Manitoba, they only amount to one word, and that is "catastrophe".

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(MR. AXWORTHY cont'd) Right now we have less than a 2 percent vacancy rate in apartments and multiple family units in the City of Winnipeg. Now what it really means, and any economist will tell you that anything below a 5 percent rate and you have an inflationary market because simply the supply no longer meets the demand. Now when you are down in the range of one or two percent you have no market at all. When you have no market at all you simply have a tremendous push on rents and housing costs, and that becomes a major sort of product of the inflationary condition that we face in the Province of Manitoba. It is in the area of housing where the application of capital and investment by the Provincial Government is a key to a response. If they don't take a response, very few can. When the questions have been asked of Ministers of this Cabinet, what in fact are you doing, we hear a virtual silence, because, Mr. Speaker, they are not doing anything at all. The record stands very clear that . . . to give one example, we need on average, just to keep up with demand for apartment units and town housing units in the City of Winnipeg, an average of about 2,500 units built a year. Last year less than 1,000 were built; this year as we head into the building season, if you do a quick check with the applications that have been processed, there is applications for less than 500. Which means, Mr. Speaker, that we are going to be facing a massive shortage of apartment units. The end result: a 25 or 30 percent increase in rents beginning this spring and summer. Now that is inflation, Mr. Speaker, that's the sum and substance of inflation.

When other members of this House on this side have come to the Minister of Urban Affairs and said, all right, let's look at your priorities carefully. You talk about having capital for down-town renewal, and all the rest of it, why are you not putting capital in the housing market? Why are you not providing second mortgage money so they can stimulate or give incentive for apartments to be built? And all we hear is lame excuses; well it's a federal responsibility, we can't get building permits from the city, and all the rest of it.

Now let me point out, Mr. Speaker . . . I was disappointed in one respect with the Leader of the Opposition's remarks because I thought that he was going to get himself into a useful line of argument. He said, "For goodness sake, look at all the money we're wasting on MDC; look at the money we're blowing down the tube for Saunders and all the rest of it" - and I agree with him. There's an awful lot of serious capital that's going to waste, but we shouldn't be saying, stop spending it; we should be saying, how are you spending it? And what would happen if we took that capital, Mr. Speaker--(Interjection)--That's fine. You tell the people in Gimli and we'll tell the people in Winnipeg, who are going to be facing a 30 percent increase in their rents. We'll tell them the same thing. If the First Minister wants to make that case, fine. You go out and tell them, and we'll make the case here in Winnipeg.

Now the point I'm making, Mr. Speaker, is that most of that capital, most of that capital comes through the Canada Pension Plan; that is money that is transferred back to the reserve funds of the Canada Pension Plan, which the Provincial Government receives at a reduced interest rate. Now the kind of impact that that money would have if it was invested in the service of building lots, if it was invested into the housing markets and its system to provide enough units so that we could at least have a decent housing market, would provide one of the major attacks against inflation in the province if they had the will and the interest and the ambition to do it. But instead we hear lame excuses saying, "Sorry fellows, can't do anything about inflation, it's beyond our power, can't do anything about it at all." Well, Mr. Speaker, they can do something but they won't, and I think that that should be on the record. It's not that we should stop spending capital, it's where we should put the capital. We should be directing provincial resources into those areas where the problem is most serious. If you're looking at inflation, that's where the problem is right now.

I'm not pretending, Mr. Speaker,--(Interjection)--Well here we go again, Mr. Speaker. You know, this is an interesting kind . . . I heard the First Minister in his Throne Speech talk about relativity. I thought he was talking about nuclear physics for awhile, but what he means is, is that if the rest of the provinces are doing a bad job and we're doing a bad job, it means that we're no worse than everybody else. So for goodness sake, Mr. Speaker, when can we get away from the First Minister's theory of relativity, because relativity doesn't do anything for someone who's living in my riding, and who is having to experience a fifty-dollar raise in their apartment rent; that does nothing at all. It may find satisfaction for the First Minister when he goes home at night to think that he can rationalize away his inactivity by saying, "Well it's all relative; you know, everything is relative." Well, Mr. Speaker, that is no answer, that

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(MR. AXWORTHY cont'd) is an excuse, and it is an excuse simply based upon I think bad planning and bad management because I don't think that they really want to divert their attention.

Well let's not even talk about money for a minute. Let's just assume for a moment that we weren't talking about capital. Let's still recognize that there is a housing problem, and that we have to get into it. Now I listened to the Minister of Urban Affairs say, "Boy", he said, "I'll tell you who's really nasty in this game, it's those private builders. Boy, if they would only get off their you-know-what and go and do it." Mr. Speaker, the Minister of Urban Affairs hasn't met with the private builders in the last year to find out what they're prepared to do. Now how can he possibly find out what they're going to do if he won't even talk to them. Now you call that an attack on inflation, you call that responsible government, you say that that's good economic management. Now, Mr. Speaker, there is an area of prime responsibility for this government and how are they meeting it? They're meeting it because they won't even talk to the people who are involved in the business. Now that's what I call responsibility.

For goodness sake, Mr. Speaker, when we listened to the Minister of Labour rise to his haunches this afternoon and wave his arms and gesticulate about the irresponsibility of the opposition, I would simply ask him to start looking at his left and his right to find out the real sources of irresponsibility in this province, because I don't think he'd have to look much further than two feet away from him to find out where the real problem lies.

So that, Mr. Speaker, is the kind of questions that should be raised in this House, and I think that that is the kind of interest and ambition that we have in this group is to say, we weren't going to take the line that the Leader of the Opposition said, Let's stop and cut back, and the rest of it. We're saying that there are priorities in this government. Those priorities must be directed towards a realistic appraisal of where the problems are. We don't pretend, and we won't try to suggest to them, that they are the sole cause of inflation, or that they have the sole answer in their grasp. But we are saying there are key sectors of the economy of this province where this government could take action, could apply its capital, and could apply its management, and, Mr. Speaker, they frankly are not doing it. That's where we have to hold them up to the public glare so that they will understand exactly who is responsible and who's living up to their task.

Well, Mr. Speaker, there is one other area where I think we can make the same kind of case, and I think it came up this afternoon, and that is in the whole area of municipal finance. The Leader of the Opposition said this afternoon that all governments had increased spending, that everyone is kind of spending money like it's going out of style, to paraphrase one of our local notable politicians. That is not quite true, Mr. Speaker. If you look at the past ten years in terms of the allocation of budgets and revenues between the three levels of government, you'll find out that the percentage of the gross national product spent by local government has been unchanged in the last ten years.--(Interjection)--Oh, it is true, Mr. Speaker. Well I know that somehow the First Minister has a source of wisdom, he has his own statistical manipulators, I'm simply referring to Canada Statistics. If you want to challenge their facts, fine, I would hope that the First Minister would bring out his wizards of the figures so we could see. I think we've seen enough demonstration of statistical manipulation. But the simple fact of the matter is if you look at every single study, and I would cite Statistics Canada, the Science Council in its latest urban report; they all simply point out that if you use the measurement of percentage, of expenditure by three levels of government, the provincial governments in the last ten years have doubled, they have gone up from about 8 to 14 or 15 percent of the GNP, while the local governments have retained a level of 7 to 8 percent, and the Federal Government has gone up to 8 percent.--(Interjection)--Well, it's ridiculous. I know that . . . You know, there's a difficulty sometimes in facing facts.--(Interjection)--That's right. I would hope, I think the First Minister has every opportunity to challenge those facts, and I hope that he will because I think that--(Interjection)--We'll exchange sources. Well, we'll make that deal with the First Minister. You give me your sources and let me talk to them for a day, and I'll give you mine. How's that? It's a fair trade.

The point I'm trying to make, Mr. Speaker, is this, is that there is a very major responsibility that while I agree in terms of real dollar terms, yes, local government has gone up, but if you look at percentage of GNP, the levels have remained the same. In the meantime, however, Mr. Speaker, the responsibilities, the burdens, the programs that local government

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(MR. AXWORTHY cont'd) itself has been having to accept for the last ten years, have multiplied manifold. Now the problem with this, Mr. Speaker, is that in many cases those programs have been as a direct result of provincial and federal initiatives. They have had tasks foisted upon them or left in abeyance. Let me point out one prime example. It was not the City of Winnipeg who necessarily asked to be unified but it was the Province of Manitoba, which I think was probably a good Act, an effective Act, but the fact still remains it was the Provincial Legislature and the Provincial Government that brought in Unicity. It therefore has a responsibility, Mr. Speaker, to ensure that when it takes an act, it doesn't impose any additional or unfair financial burdens on the people of that community, and yet we have seen that really when you get down to it, the Province of Manitoba has been real chiselers when it comes to helping out the City of Winnipeg with the costs that have been incurred as a result of transition.

We dealt with an issue today, the whole question of pension plans for civic employees, where it was very much an obvious cost accruing as a result of the unified program, to bring employees of the city level up to a common level. The fact of the matter right now, Mr. Speaker, is that there are employees of the unified City of Winnipeg who don't have a pension plan, and one of the prime reasons they don't is because this Provincial Government has refused to say yea or nay as to whether they will live up to their basic obligation, and at least to respond to the extent of giving enough money to pay for the transitional costs that were effected by that. Now that, Mr. Speaker, is another example of irresponsibility.

Now I think really where they're responsible is in the area--(Interjection)--Would the Minister mind asking the question at the end of my . . . I'd be very happy to answer when I finish but I found in the past, Mr. Speaker, that the Minister in particular loves to anticipate what people are going to say so I just may have an answer for his problem.

MR. SPEAKER: The Honourable Minister state his point of privilege?

MR. AXWORTHY: I knew he'd get up one way or the other.

MR. GREEN: The honourable member has indicated that I am anticipating what he is saying. Mr. Speaker, I asked the honourable member if he would permit a question. He has a right to refuse the question; he has not a right to impute motives to me. He refused the question, I sat down, and that's the end of it.

MR. SPEAKER: The Member for Fort Rouge.

MR. AXWORTHY: Yes, thank you, Mr. Speaker. I think my remark was that the Minister has a tendency to anticipate, whether he is going to do it this time or not I wouldn't want to hasten a guess, but I just simply say that his practice in the past has been to do that, so we simply were . . . and as we learn from experience in this House, I simply learn to sort of know that that is a habit of the Minister, and if he's breaking his habit then I would, for one, be very grateful. However, let's leave it at that. I'm quite pleased, Mr. Speaker, to answer any questions that the Minister would like to pose at the end of the discussion.

All I'm simply pointing out at this stage, Mr. Speaker, is that I don't believe that this government and the Province of Manitoba has seriously yet looked at its financial and fiscal responsibilities to the City of Winnipeg. I think it has tended in the past to evade its rightful obligations in terms of the transition problems. I think now as we begin to, in the City of Winnipeg, look at other serious areas of public investment in terms of transportation and public works and development, and all the rest of it, that there has been no clear-cut guidelines, no clear-cut policies, no indication of how the pot can be better shared; there has been a kind of ping-pong ball that Bernie Wolfe and Mayor Juba come here, sort of cap in hand, and go back and Gerry Mercier makes speeches saying the door was closed again. You know, that kind of approach which is really sort of, I think, demeaning towards city officials, of having to kind of make their weekly pilgrimage to ask for a few more dollars so the mill rate won't go up any more, is not the way to conduct business in this province or conduct business in the city. The way to conduct it is first to establish, what are we trying to achieve, which level of government should achieve it, and how can we sort of divide up the tax levies and the revenue levies to make sure there can be a proper development and a proper anticipation - and there's where the anticipations should really occur so that the city would know exactly what guidelines it's working in, and then we can say no. But to go through this kind of charade of sort of back and forwards and sort of bouncing the ball before it, and I think it's like the old shell game, Mr. Speaker, you know, where you have another shell and as long as you keep switching them

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(MR. AXWORTHY cont'd) around long enough, no one knows really who's really responsible for doing it. I think that's the kind of case we're into now.

So, Mr. Speaker, the point we're trying to make when we come back to the question of fiscal responsibility, who's managing what? The case we are simply making at this stage is that there are areas in terms of - and I pointed out two examples in housing and in fiscal responsibility which are very much within the direct capacity and capability of this provincial government. And I don't care about other provincial governments, or what the Province of Quebec is doing, or what the jurisdiction of Liechtenstein or Monaco, or what anyone else is doing. The point we're making now, this provincial government at this time in this place has the powers and the capacities of making a very direct impact to cut down the costs and burdens being borne by people in this province. According to the Minister, First Minister, in his speech, he said, "There's nothing we can do." Well we take him at his word but we're simply saying that he is wrong; there are things he can do, he can take a look at the way he wants to spend his money, and how he wants it divided up to make a more significant impact than he's making now. And if he wants to indulge in a luxury of chasing will-o'-the-wisps sort of, you know, the airplanes, or whatever other kinds of things, I gather, occidental petroleum and other kind of the will-o'-the-wisps that we're pursuing, then he may, he may do so, but he should do it on someone else's time with someone else's money, because right now he's not doing an awful lot of good for the people of Manitoba.

MR. SPEAKER: The Honourable Member for St. Johns. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I would just like to ask the Honourable Member for Fort Rouge if he was saying it in a bantering manner, or if he intended to be taken seriously when he equated the sister Province of Quebec with foreign jurisdictions like Liechtenstein, and others.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Speaker, I normally assume that everything I say in the House will be taken seriously but in this case I was simply using a favourite form of expression that the Premier always uses, and that is to poll a variety of jurisdictions from around the world to show that somehow while things may not be all right in Manitoba, they got to be worse somewhere else. I am sure that we can prove it fairly relatively that somewhere things are worse than they are in terms of what his government's doing. And while I wouldn't want to necessarily compare the Province of Quebec to that of Monaco, because I have a great deal of regard for the Princess of Monaco, and also an equal regard for some of the members who occupy the benches, the front benches, in the Province of Quebec, I'm simply pointing out how often absurd that kind of concept of relativity as the Premier is wont to use it, sounds when it comes from someone else's mouth.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm just up for a question. I sort of promised the honourable member I'd ask a question, and I don't want to renege on it. The honourable member says that the uniform pension plan of Greater Winnipeg is a transitional cost and he says that as a result of our actions some of the municipalities do not now have a pension plan. Is the honourable member suggesting that if it were not for the unification of Greater Winnipeg that municipalities in Greater Winnipeg would not have a pension plan for their employees at any time?

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I only touched upon the pension problem briefly because I believe that we will be making a more serious statement. But I would simply point this out to the Minister, that at the time of unification when there was a number of municipalities within the larger metro area, each had a different kind of pension plan. The City of Winnipeg was, by most calculations, the best. Unification implies that civic employees are brought up to the same standard of personnel requirements, whether it has to do with rates of pay, with rates of promotion, with different standards, we've been doing it right throughout the full civic service. As part of that component was the requirement for unification and the same, and that was put forward by the Task Force on Personnel that was sponsored by the Provincial Government. We are suggesting that one of the reasons why the City of Winnipeg has not been able to move with the dispatch that should have been to rationalize and correct the disparities in the pension scheme for civic employees, is because they have not been able to receive, up to this

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(MR. AXWORTHY cont'd) date, to our knowledge, any kind of commitment by the Province of Manitoba to undertake an underwriting, or at least a proper contribution, to cover-off the cost of bringing those pension plans into some equal position. And therefore the ability of the City of Winnipeg to provide a uniform pension plan for its total number of employees has not been able to be brought to fruition.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: A supplementary question. The honourable member when he was speaking said that some people don't have a pension plan, and that this somehow was a provincial cost, that the ultimate payment of a pension plan to people in Greater Winnipeg who didn't have it was a provincial responsibility. Now, he hasn't carried that forward in his answer but he is now saying that an equal pension plan . . .

MR. SPEAKER: Question, please.

MR. GREEN: . . . and the question is, does he consider that equal pensions for people employed in Greater Winnipeg is a provincial responsibility rather than a municipal responsibility?

MR. AXWORTHY: Mr. Speaker, I apologize to the Minister if my answer was not clear. What I am saying is this, that when unification took place, certain civic employees that came from other municipalities came in without pension plans. The inability of the City of Winnipeg to provide a new pension scheme to cover all its employees has not been able to have been brought together because of the inability so far to provide for the extra 10 or 11 million dollars that would be required to bring it up equal. And therefore they have not developed a new pension plan. And one of the contributing reasons why they have not developed a new pension plan is because they have received no commitment from the Provincial Government to pay its part of the transition costs in reaching that pension, in reaching some kind of uniform plan. So that simply the lack of a pension plan rests upon the City of Winnipeg. The City of Winnipeg says the reason we can't do it is because we have not been able to get any kind of commitment from the province in terms of covering its part of the costs.

MR. SPEAKER: The Honourable Minister of Industry and Commerce, also for a question?

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East):

Mr. Speaker, I have a question of the honourable member. He made reference to the problem of inadequate housing supply in the province, and I wonder if he would not agree, or would he please comment, on whether the lack of mortgage funding, the lack of mortgage money, and the relatively high rate of interest being charged for mortgage funding, whether these are not major factors in deterring the adequate supply of housing for our people?

And the second question is, or supplementary question is, would he not agree that it is the Federal Government which traditionally has been the major supplier or the major factor in influencing the supply of mortgage funds through its control of the Bank of Canada, and because of the National Housing Act legislation, and because of the great monetary and fiscal powers that it traditionally has.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Yes, Mr. Speaker, I would be very pleased to answer both of those questions. The inadequacy of housing in the province is of course a product of many kinds of factors, much of which is the lack of capital of course and the high interest rates. The point I was making in my speech was that is a problem and therefore requires a response. It is an area where the Provincial Government can take an initiative. And what I was suggesting is that they could be putting capital to work, to provide a supply of capital for the building of apartment and townhousing units in the city, and could be providing it at below market rates, and they could be using moneys that were transferred from the CPP for that purpose. And I would give for example the fact that - I again perhaps fall in my own trap with using the example of Ontario where they put \$100 million to second mortgages just about four or five months ago. I also suggested that we could attack, the province could attack the problem by helping the municipalities directly service land, that rather than adding the cost of four or five thousand dollars into the servicing that gets transferred onto it, I think we have to develop a new formula for the servicing of land. I was simply saying that one of the ways in which this province could ameliorate or appease some of the highly inflationary conditions, is initiative in its own right. And while certainly the Federal Government has a major responsibility, suggest that they are now spending a billion and a half dollars in the housing field. They have been transferring much of

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(MR. AXWORTHY cont'd) their responsibility into certain key areas. They still supply 90 percent of the mortgage funding for public housing in the province, and 90 percent for the loans; 100 percent of the financing for non-profit co-op housing; money for the land assembly that this province uses. So simply saying is that we were asking or suggesting that the province also begin complementing that major federal investment with a provincial investment of a like kind. I think that that would then provide perhaps much of the stimulus and incentive that would be needed to stimulate the housing market, to bring it back up to a level so we can reach a proper housing supply.

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

MR. SAUL CHERNIACK (St. Johns): Mr. Speaker, I have been prompted to participate in this debate mainly by the contribution of the Member for Fort Rouge, who made some suggestions and some provocative statements - some of which I agree with and some of which I don't - and I felt that I would like to make a contribution, if I may, on the general question of inflation, and on the second reading of this bill which deals with the entire budget of the province, and which the opposition has used as a means whereby they could range far and wide as if it were indeed a throne speech. So, I will make my speech as if it were a throne speech, and if anybody thinks it's improper then I can make it as if it were a budget speech, and if that's improper I can make it on the basis of the estimates of the province. Whatever it is the members opposite have shown me the way by which we can talk in the area of general policy of economics of the government, of provincial contribution.

The Member for Fort Garry seems to feel so inadequate to the position today that he has to make his speech from his seat, and by all means he's welcome to do so.

I remember hearing him this afternoon talking about how it is the adults who treat the young referees in hockey in such a bad way as to make them feel inadequate to their job and quitting, but of course in this arena he feels he's dealing with people of his own level, and is able to do so without being critical of the adults dealing with juveniles as he was so hung-up about this afternoon.

Mr. Speaker, I'm more interested in commenting on some of the statements made by the Member for Fort Rouge. I think he ought to know, and he would know if he studied the Orders in Council that have been going through for some years - that CPP funds in the main, in the main, have been used for such socially important capital investments as schools, construction of schools by the Public Schools Finance Board, I believe to some extent in hospitals, but mainly have been directed to the socially useful functions of government, and to the extent that they have been used beneficially for the financing of the construction of schools, to that extent, the mill rates on the cost of school financing has been helped by CPP funds. So let him understand, and he should, and I can't give him the information now, although it's probably in Public Accounts, to show where CPP funds have been used, and if he looks into it I think he'll find that they've been used in socially useful projects and mainly those which relate to the direct taxation on the taxpayer, and may I suggest on the real property taxes. So to that extent I don't think he can be too critical of the way that CPP funds have been used in the past.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Yes, if the Minister will accept a question, I'll just ask him, in the last fiscal year how much of the CPP fund actually was directed towards the MDC? Was this not in terms of about \$20 million?

MR. CHERNIACK: Mr. Speaker, I'm like the Member for Fort Rouge, I am prepared to try and answer questions that are asked of me while I'm being interrupted. And to that extent I don't fear any question being asked by him, or indeed by the Minister of Mines. I don't have the information before me; it is a matter that of course is on record. But there's no question that the MDC for some time has been labouring under the problem of having guaranteed to advance moneys to the Forestry Complex in The Pas at a rate fixed by the previous government of what, I believe, was 6-1/4 percent, and to the extent that that rate was established by Mr. Roblin and his friends, some of whom are still with us, that it has been necessary to recognize that the MDC was put in a bad position. To the extent that moneys may have been loaned to the MDC then by all means there is an explanation.

Now, Mr. Speaker, I find the Member for Lakeside, who makes his best speeches where he is now, and who said to my colleague from Flin Flon, that he wants an accountability for the statements made by the Member for Flin Flon. I remember the now momentarily, just for the

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(MR. CHERNIACK cont'd) second, silent Member for Lakeside, that he made statements about a certain wedding which he has not yet had the courage to stand up and admit to me in the relationship of how he used me . . .

MR. SPEAKER: Will the honourable member state his point of order.

MR. ENNS: On a point of privilege, Mr. Speaker. I will stand up in this House by tomorrow and show him a page in Hansard where that public admission was made. Now on the other hand, having, as of laterally, been proven much more right about a certain pizza case, I may still find out which wedding, what took place.

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

MR. CHERNIACK: Mr. Speaker, now that you have heard what purported to be a point of order, I will point out that Hansard will show that the Honourable Member for Lakeside had the courtesy to apologize to a certain gentleman, who I believe resides in British Columbia, for having misused his name and my name in relation to some nefarious attempt on the part of the Member for Lakeside to involve us in some scandalous effort but never did, never did, acknowledge to me that he did me harm or wrong in that respect. And that's a matter of record. So if he wants to refer to pizzas that's his dietary problem, not mine.

Mr. Speaker, I go back to the speech made by the Member for Fort Rouge, who I believe made a sincere effort to deal with the problems that face the people of this province. Unlike those who preceded him, those whom I heard who preceded him, who debated this bill, and I include the Member for Lakeside, and I include the Leader of the Opposition, when I say that neither of them measured up to the sincere effort of the Member for Fort Rouge, in dealing with this problem. Because, Mr. Speaker, I'm prepared to deal with those but I want first to deal with the Member for Fort Rouge who spoke about two specific items. He spoke about the question of housing, and he spoke about the problem of municipal financing, and there's some person opposite who keeps yelling, and I haven't yet placed who it is, and I don't know if he wants to be anonymous or he wants to speak up. I guess he'd rather be anonymous, and I don't blame him, I don't blame him at all, Mr. Speaker.

Now dealing again with the Member for Fort Rouge, who spoke about the question of housing, and talked about its relationship to inflation, justifiably. Oh yes, Mr. Speaker, the problem of inflation that we have in this province is more clearly related to housing costs in this province than the cost of food that's imported from California or Mexico, or than the cost of oil and petroleum products that are imported from Alberta, and more related to the cost of manufactured goods that are brought in from Quebec or Ontario, or from the Golden Triangle of Ontario, and more related to what we have in Manitoba than the oil which is produced in the Middle East countries, and to that extent I think he was right in talking about the cost of housing.

But, Mr. Speaker, if ever, if ever this government has run into a long-ranging frustration in its efforts to deal with housing, I don't know of any other problem we faced that has been this long standing and this great a vexatious problem. And it's for two reasons. And one is the confining restricting regulations of the Federal Government in relation to public housing and to housing generally. And the other is the obstructionist efforts of the majority members of the Council of the City of Winnipeg. And although I would mention that in any event, I can't help but say that it is those people in the council who control the City of Winnipeg Council, who are the people who are the buddies of the Member for Fort Rouge and his party, and the members of the Opposition and their party. And it is a matter of record, so I don't have to justify it.

But let me state as clearly as I can, that where we have an admirable record of the construction of housing in the Province of Manitoba, such which puts to shame the previous Progressive Conservative Party program for its term, in housing, such as puts it to terrible shame--(Interjection)--Yes. Yes, the greatest contribution we have made to the problem of dealing with housing in Manitoba has been outside of the City of Winnipeg. And we have carried out a program in the length and breadth of this province which stands us and all Manitobans, including the Opposition, to their credit in every constituency in the Province of Manitoba, except probably mine, and probably the Member for St. Matthews and the Member for Wellington, and the Member for every city of Winnipeg constituency, and the problem there is the problem of getting some co-operation from the City of Winnipeg Council.

And, Mr. Speaker, I don't need to elaborate on it. Let me say to the Member for

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(MR. CHERNIACK cont'd) Fort Rouge that if only we had the opportunity within the City of Winnipeg to deal with housing as we were able to do outside of the City of Winnipeg, he would not have any opportunity in all integrity, and I give him credit for integrity, to be able to be at all critical of our housing program. That doesn't necessarily mean that it's all the fault of the Council of the City of Winnipeg but it is substantially the problem of the Council of the City of Winnipeg.

Let me now depart for a moment from the question of housing to give you an example which is so current that it only relates, I think, to last night's meeting - was it? - when the Council of the City of Winnipeg said, "We will turn back an opportunity to bring into the revenues of the City \$3 million, which will not be payable on the mill rate but which would reduce the mill rate, and we will reject it because we don't want to raise the utility of City Hydro." And I want to deal with that for a few minutes because I am extremely critical of their position.

Mr. Speaker, I'd like to take this Assembly back a couple of years to the time when we dealt with the unification of the City of Winnipeg, and at that time we said one of the features, and one of the important features, was the important need to equalize the tax base for the entire area of the then Greater Winnipeg, Metropolitan Winnipeg area. We said it was absolutely wrong that certain municipalities within the former metropolitan area had a tax base wherein it was possible for their residents to live off, and I use that - yes I use that phrase advisably - to live off the advantages of commercial and industrial taxation and thus be able to reduce residential taxation, whereas other areas of Winnipeg, and may I say the old City of Winnipeg half of which, half of my constituency being in that area, were still liable to pay for the heavy cost of downtown core problems, of poor housing, of welfare problems, of health problems, at a tax base which was a greater burden on the residents than in other areas. And we said one of the important things of unification was to equalize the tax base. We proceeded to do it; the Conservative Party opposed it. The Liberal Party, it seems to me, was split. The present House Leader I think voted with us and the other members of the Liberal Party voted against us on unification, but regardless of that - I said the present Leader, House Leader of the Liberal Party voted with us, and I give him full credit for having done so. He was very objective not being a representative of the Greater Winnipeg area.

Mr. Speaker, one of the things that this Government said to the City of Winnipeg was: All right in equalizing the tax base we recognized that this meant that the suburban, the former suburban Winnipeg, St. James, Assiniboia, St. Vital, West Kildonan, whatever it is, whatever. The Member for St. James has a contribution to make I believe. Is it by way of a question, in which case I'll be glad to sit down and listen to it?--(Interjection)--No. He'd rather mumble from his seat, and he has that right. I give him that right; I don't know if you do, Mr. Speaker. We said that we must recognize that by equalization of the tax base it means that the residents of the former City of Winnipeg proper will be getting an adjustment, a corrective adjustment from the burden they were carrying up till then. And one of the members of our caucus, and may I say one of the members of the Cabinet Committee on Urban Matters said, but hold, there is one serious imbalance the other way, and that is that the old City of Winnipeg owned City Hydro. City Hydro was developed at a time when the Winnipeg Electric Hydro was working on the Winnipeg River, and was charging as much as it could - which was its fair position. Any company has its right to charge as much as it can get away with - and they were charging Winnipeg residents a great deal of money for the--(Interjection)--Same as oil. Oh, the Member for Portage la Prairie is right, lawyers too charge as much as they can get away with, but you know lawyers like utilities, like Winnipeg Electric, and others, have found that in order to live in our present society it becomes necessary to be either regulated or to be self-regulated, and that is contrary to the theories of the Liberal Party which is espoused by the Member for Portage la Prairie of the free enterprise system. The fact is that lawyers too found that there has to be a way to control them from the overcharges that they may make, and therefore lawyers, like public utilities, like other people who offer services to the people, to society, are restrained, and lawyers are restrained. They can't just charge anything they like. Their charges are subject to review.

But the Winnipeg Electric Company was not subject to review. It could charge the people as much as they liked, so the Fathers of the City of Winnipeg, way long time ago, long before I became a Father of the City of Winnipeg, said, we are going to step in and create our own utility, City Hydro, and they did. And they did by creating the City of Winnipeg Hydro and

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(MR. CHERNIACK cont'd) setting up their own dams and their own energy producing facilities on the Winnipeg River, and started selling power in the City of Winnipeg at a rate less than that of Winnipeg Electric, the private utility, and actually forced the price down to the extent where the power cost, hydro electric cost in Manitoba was I believe the lowest on this continent, and that may still be the case for all I know. I believe it is, but I may be wrong, but it is still very low because the people said, we are going to start producing our own energy. Well now I'm being carried away. In the City of Winnipeg case, the City of Winnipeg constructed its plant, invested its capital investment at a time when the rates were, interest rates were acceptable - they've not invested further for some time - to the extent where they found that in order to provide their services they had to buy power from Manitoba Hydro. And now today I believe that the City of Winnipeg buys more power from Manitoba Hydro than it produces itself. That's my impression.

Regardless of that, when we equalized the tax base in the new City of Winnipeg one of the members of our group said, if we are going to equalize the tax base, let's do something else, let's equalize the cost of power because we now know, and we knew at that time, that suburban Winnipeg was paying to Manitoba a higher cost for power than the City of Winnipeg, the old City of Winnipeg was paying to City Hydro, simply because Manitoba Hydro was basing its rates on its cost which included new developments at new costs, at inflated interest rates and inflated labour rates, in order to supply the rest of Manitoba, and Manitoba Hydro therefore had to make sure that it was getting a proper return. So it was charging more to the same municipalities I've just mentioned, St. James, St. Vital, West Kildonan, St. Boniface, the various areas that were being serviced by Manitoba Hydro.

This participant in our deliberations said, here we have a case when City Hydro is not doing any capital development at all, and instead of developing more energy sources is buying it from Manitoba Hydro, and therefore the residents and purchasers of power from City Hydro are paying less than Manitoba Hydro, that there ought to be some form of equalization. And we went to the City of Winnipeg and we said, no matter how you do it it is only right that the person who lives on the border of the old City of Winnipeg, whether he be on the inside, one street in from the old City of Winnipeg or one street out and into a suburb, should be charged the same regardless of who supplies it. We said, what you ought to do is either equalize the suburban Hydro user or power user at the same rate as you would charge the City of Winnipeg, the old City of Winnipeg user, so that they are also in a good relationship one to the other as they were with the real property tax base. After discussions with the City of Winnipeg, and I think I was the one who suggested that the City of Winnipeg could well look to charging for City Hydro rates at the level charged by Manitoba Hydro, so that all residents of Greater Winnipeg pay the same rate, and to the extent that City Hydro was producing a profit to put that into general revenue, so that all residents of Greater Winnipeg should be beneficiaries of that, that that was the way they should do it. And as I recall it, they accepted that as being the method by which they could equalize rates.

Now they find that where they are some 23 or 24 million dollars short in their own budget, they could reduce it by 3 million, the majority apparently yesterday said no, let's turn it back; we don't want hydro, City Hydro to be getting a profit. What is that profit? Is it something that would end up in private enterprise? No, Mr. Speaker. It would end up in the hands of the people of Greater Winnipeg, and would be an alternative form of revenue raising than real property base. But they said no, apparently, last night. Not that that's final, they may yet change their minds, but they said no. They are the people, and I have to, until the Member for Fort Rouge rejects them as being people who are his political allies, if he rejects them, I'll excuse them from that marriage with him. Until he does, I say that they are people who are his supporters and that of the Official Opposition in this House, that they are the ones who rejected an opportunity to raise \$3 million from sources other than real property taxation for some reason which I have yet to understand.

So I get now what is it that motivates the City of Winnipeg. I can't help but think of what happened last night too, according to the newspapers where - and I happen to have the clippings here - where some people said that we're not going to let the province get away with its proposals regarding financing of Assiniboine Park. Oh no, we may be risking some \$2 million but we want to hold back and see just what it is that the province is trying to do. How are they trying to take advantage of the city? As I recall it, what the province did when we were looking

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(MR. CHERNIACK cont'd) for methods by which we could assist the City of Winnipeg, we said, it is high time that we recognize as a province that Assiniboine Park is a provincial park, that it serves people, Manitobans from outside of Greater Winnipeg, and it serves so many tourists who come to Manitoba from outside the province. And we said that we can see that this is legitimate, with the zoo, with the amenities that are provided, it's a legitimate source, not a legitimate source but a legitimate undertaking by the province to fund it out of provincial revenue. So we said to the City of Winnipeg, if you are prepared to let us undertake the responsibility of funding it, we will do so. That was done a year ago, and to this day the agreement hasn't been signed, and to this day the members of the City of Winnipeg Council are so suspicious or apprehensive--(Interjection)--and the Member for Sturgeon Creek is making a contribution now. Is it a question? If it's not a question then please take your seat, you've already spoken on debate, and you've had an opportunity, and I hope yet to deal with his contribution.

But now I believe that those people who lead the City of Winnipeg group are prepared to sit back and do nothing but make demands. But what are they demanding? We want to participate in growth taxes. Mr. Speaker, it's a misstatement to think that real property itself is not a growing thing. Why the Member for Fort Rouge talked about the increasing costs of real property in the city, and real property is a growth tax, not to the extent that others are. But what we said to the City of Winnipeg is, if you want to participate in other than real property taxation, let's get involved in finding means whereby the City of Winnipeg, or any municipality, could find sources of revenue other than the real property tax base.

Do you remember, Mr. Speaker, last year when we said that we were going out of the amusement tax field, that we would make it available to municipalities to make use of it if they wished to, and I think we pointed out some 600 or 700 thousand dollars of revenue available to the City of Winnipeg if they did more than take over the amusement tax field which we were vacating. Did you notice, Mr. Speaker - I only read the newspapers, and I know enough not to believe all I read in the newspapers, but I do remember the newspapers reported that some of the councillors of the City of Winnipeg said, you know if the province and if that Minister of Finance is prepared to vacate the field, there must be something wrong. We better not enter into it. If they want to get out, then we shouldn't get in. And that debate continued for some months. It was almost like to the deadline of November, or so, when they knew that at the end of December we were out of the field, that they decided to enter it. Did they then at that stage debate whether they should reduce the amount of amusement taxation, or increase the amount of amusement taxation? No. They finally said, well we better take it, it's a vacant field. They didn't have the courage to make . . . the guts to make a decision. They were suspicious. Why should we do it? Gee, if they're getting out of it, why should we do it? Should we increase it? Why didn't they increase it? Amusement taxation is not that of the cost of milk or bread or butter or rent or housing. It's an amusement tax. Did they once debate raising it by one percentage point? Not to my knowledge, maybe they did - I don't attend and watch them - but they would rather that we do it.

When we said to them a year ago, let's start talking about the things that you could do. How about a payroll tax? How about a city sales tax? How about a city income tax? How about a city . . . I'm trying to think of what other thoughts we threw out to them other than real property. Oh, we said how about a hotel tax for hotel . . . How about a liquor tax? I remember - I don't know if you do, Mr. Speaker, you're so much younger than I am - I remember when the City of Winnipeg had an automobile licence tax, when we paid \$5.00 extra for owning a automobile if we were resident of the City of Winnipeg. We had that tax. And I remember, and I'm pretty sure I'm right, when the City of Winnipeg had a liquor tax. It seems to me that it cost 2 percent more to buy liquor in the City of Winnipeg than it did outside of Winnipeg. I'm not saying that these thoughts are good taxes for the city to undertake, but did they consider it? Not to my knowledge. All they're talking about is they want to be partners in taxation that the province is taxing. In other words, they would like the province to tax and to give them, but they don't want to have the courage or the guts, as one of my colleagues said, to impose a tax. And we said, "We think you ought to be responsible for your form of taxation. Ask us for the method." And, you know, we have the legal right to pass on to them any form of taxation that we have, but they don't want that, and I think that they would rather sit back and complain and blame this government, because I think that they have political motivations which may be more

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(MR. CHERNIACK cont'd) sympathetic with that of parties of the Opposition than this party, in order to create problems.

So, Mr. Speaker, I move on now. I wonder if I . . . Oh yes, the Member for Fort Rouge talked about pensions. I do not believe, and I have had occasion to speak to the City of Winnipeg during our preliminary discussions, our efforts for participatory democracy when we debated . . . Oh, the Member for - where does Graham come from?

A MEMBER: Birtle-Russell.

MR. CHERNIACK: Is that in Manitoba? The Member for Birtle-Russell is cackling away, Mr. Speaker. Knowing as little as anybody can know about problems of urban Winnipeg, nevertheless he is cackling away. When I talked about participatory democracy, Mr. Speaker, I have yet to recall . . . Oh, now the Member for Fort Garry does have a contribution.

MR. SHERMAN: . . . is Birtle-Russell in Manitoba? Or don't you know?

MR. SPEAKER: Order please.

MR. CHERNIACK: Mr. Speaker, the Member for Fort Garry has just questioned, asked me the question, and I will quote him directly. He said - Mr. Speaker, the Member for Fort Garry just said - I'll put it on the record . . .

MR. SPEAKER: Order please.

MR. CHERNIACK: The Member for Fort Garry just said: "Cherniack, is Birtle-Russell part of Manitoba?" I quoted him directly, and having quoted him directly I give him the credit for having had the audacity to continue to yell, and you, Mr. Speaker, are saying nothing to him . . .

MR. SPEAKER: Order please.

MR. CHERNIACK: And he is continuing to do that, Mr. Speaker. He had the audacity to try and put on the record that which I said to my colleagues, and which I said advisedly, because the Member for Birtle-Russell participated in this discussion about urban Winnipeg by a sneering sort of cackle - if I put it that way, I think it's fairly - and I questioned whether the Member for Birtle-Russell really knew the problems of Greater Winnipeg and had a concern for them, or whether he would rather just sit back and make his contribution to debate in that way. I happen to know that Birtle-Russell is in Manitoba because I happen to have been in his constituency and unfortunately . . .

MR. SPEAKER: Does the honourable member have a point of order, or, . . . ?

MR. SHERMAN: Mr. Speaker, the Member for St. Johns . . . On a point of privilege, Mr. Speaker.

MR. SPEAKER: Would the honourable member state his matter of privilege.

MR. SHERMAN: Yes. The point of privilege, Mr. Speaker, is that the Member for St. Johns is distorting and lying about an exchange of remarks. He asked his colleagues: "Where is Birtle-Russell? Is that in Manitoba?"

MR. SPEAKER: Order please. I would suggest if the honourable members would all conduct themselves like parliamentarians instead of shouting across the Chamber, we'd have a lot less problems, and that includes everyone. I would also suggest to those who are on the floor they not provoke other members and then we'll have a lot more peace.

MR. CHERNIACK: Mr. Speaker, I heard the Member for Fort Garry say that I was lying. Is that acceptable to you, Mr. Speaker, and to other members of this House? I don't know, but I am not raising it as a point of privilege, I am just bringing it to your attention that the Member for Fort Garry stated that I was lying.

MR. SPEAKER: Order please. I realize there is a play upon words going on and people are having games, but let's conduct ourselves like gentlemen and let's get out of the arena of playing games. I am not going to have verbal battles with other members, especially those which aren't supposed to be recorded. The Honourable Member for St. Johns. Would the Honourable Member for St. Matthews state his point of privilege.

MR. WALLY JOHANNSON (St. Matthews): Yes, it's a matter of the privilege of this House. Clearly, within the rules of this House, it is not permitted for one member to say that another member has lied, and I would ask the honourable member, as a gentleman, to withdraw that statement.

SOME MEMBERS: Hear, hear!

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

MR. CHERNIACK: Well, Mr. Speaker, it is now on record, it is now on record what I

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(MR. CHERNIACK cont'd) have said. It is now on record that the Member for Fort Garry has stated that I was lying. It is also on record that there has been no request of him to withdraw his statement, nor did he volunteer to do so. That's a matter of record. And that's a matter of my privilege, and I don't raise it as a matter of privilege. So, Mr. Speaker, you have it on your . . . Oh, the Member for Fort Garry said you have it on your conscience. Is that your record on my lying?

MR. SPEAKER: Again, let me interrupt. I am trying to conduct this session of this House in a decorous manner, and unfortunately, I am not getting the co-operation of the honourable members. Order please. That is precisely the problem, the interjections and the picking up and the provocation by the member who does have the floor. Now I think both systems are wrong, and I certainly feel that if the honourable members want to co-operate with me, fine. If they don't, let them say so. I do not have to sit in this Chair. I do not have to have anything on my conscience. My conscience happens to be clear. I am trying to get some co-operation from this floor to have members act like statesmen and parliamentarians. Nothing more, nothing less. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, I would not want to put anything in such a way that would embarrass you, and I certainly don't do so. I want to continue with what I said, what I want to say, and possibly I can continue to do so. Maybe I'll be interrupted again.

I was dealing really with the problem of municipal finance, and I was pointing out what I believed to be a lack of responsibility on the part of the City Council in exploring methods by which they could reduce the burden of taxation based on the mill rate, on the real property base, and my definite accusation that they are not making any effort whatsoever to do so. And I did so when I referred to their apparent rejection of some three million dollars of revenue which they could honourably and honestly accept, as they have done for many years past. It is a matter of record that the City of Winnipeg has been turning over to general revenue, profits from the City Hydro, year by year by year. And now when they are able to do so in order to charge me, who is a resident of the old City of Winnipeg and a purchaser of City Hydro power, the same rate as that of some of the members opposite who are suburban residents of the City of Winnipeg, that they rejected that opportunity, as they debated at great length last year whether or not to take advantage of the amusement taxation. Therefore, I have to say to the Member for Fort Garry: Please, go to the City Council of Winnipeg and make your complaints there, because the fact is that they have a great deal to face up to and are not doing so by constantly coming back here annually, as the Member for Fort Garry - Fort Rouge, I'm sorry, Fort Rouge said (I don't want to quote the Member for Fort Garry any more; I want to be careful about that.) I want to invite the Member for Fort Rouge to go back to the City Council and talk to them about their efforts to do something about their costs and their contributions.

Mr. Speaker, the Member for Sturgeon Creek made some comments, indeed about our growth taxes and our efforts to ease the burden on people. Do you know, Mr. Speaker, that today I heard the Leader of the Opposition use a phrase which I think is foreign to his tongue, and that is the word "selective tax cuts"? I think that was two years ago, three years ago, the word "selective" was foreign to him. I don't believe that he used that expression, because he was talking, as was the former Leader of the Liberal Party, about tax cuts, proportional reduction, reduced by 2 percent, reduced by 5 percent, and today he used the expression "selective tax cuts" and I give him credit. I give him credit for recognizing that it is important to recognize that. And I want to tell the Leader of the Opposition, as the Member for Sturgeon Creek, that what we have been doing, no matter what they say about our provincial budget, that we have been carrying out a program of tax reduction year by year by year through our program of credits, through our program of property tax credit, through our program of cost of living tax credit, and these are tax reductions. Let me tell them that the people in Ottawa know full well that the reason they're called tax credits is that we are still in a position where we can obtain equalization, because this is a program of selectivity rather than a reduction in revenue; and if they don't recognize that these are tax cuts, then they either wear blinkers deliberately or they don't understand what this is all about. I believe it's deliberate. I think they understand - they have that intelligence. And in their refusal to do so, they are just playing the game of talking about increased costs rather than reduction of taxation.

MR. SPEAKER: The honourable member's time is up.

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MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker. I must apologize to you, sir, if I gave you any difficulty in the few minutes preceding. I think that this debate has now moved into maturity now that we have heard from the Pope from St. Johns bestowing his usual gratuitous and unctious blessings on himself and on his colleagues. You know, one has to ask oneself, Mr. Speaker, what would happen to this government if there weren't an Opposition? I hope they never come to that day because they'd have nobody to blame the ills and the problems of society and of the province upon. If they don't have an Opposition to blame it upon in this Legislature, they look for something in City Hall. If they don't have it there, they look for something in the country. If they can't find it there, they'll look for something in Ottawa. Never, never has the Member for St. Johns or his colleagues in this session stood up and accepted responsibility for the fact that they are government, that they are charged with the assignment and the responsibility of governing, and that they surely have to answer for the things that are going wrong in this province at the present time. But you don't get that from the Member for St. Johns. You just get him laying about him like his colleagues, Mr. Speaker, blaming everyone else, blaming everyone but himself, blaming everyone but this government.

A MEMBER: If they can't find enough people in this province to blame they blame the Pope.

MR. SHERMAN: And, as I say, I apologize for my intrusions that made things difficult for you a few moments ago, Mr. Speaker, but that kind of manner, that kind of approach to the legislative affairs of this province, really make it extremely difficult for anybody else in this Chamber to approach any debate with any kind of restraint or moderation when you get the kinds of self-congratulatory, unctious remarks, the smugness, of the kinds of things that have just come from the Member for St. Johns.

Mr. Speaker, what we have seen today, I think, from the Member for St. Johns - and prior to him from the Honourable Minister of Labour, is a typical example of government desperation, the desperation of this government in its inability to cope with the problems facing it, the desperate state to which this government has come. All they can do now, sir, is sort of lash out in their death rattle and try to scuttle out from under the responsibilities that they bear, lash out and look for others to pin the blame on; and I think that that is a sad and sorry commentary for the people of Manitoba, not just for this government, not for the First Minister, but for the people of Manitoba. Faced with the problems that we're faced with here, faced with the challenges that Manitoba and all Western Canadian provinces face today, to have the government ducking out from under its share of responsibility, running away from even the manliness of accepting blame, and seeking advice and counsel and guidance to make corrections in policies and programs, I think is a sad, sad commentary on the state of this province. And it augurs very unfortunate days for the people of Manitoba in the two years remaining - I presume it's about two years - before they have a chance to vote for a new administration.

Mr. Speaker, the saddest thing of all, I think, was the remarks today, the address today by the Minister of Labour. The First Minister, I think, sir, is now faced with a very difficult decision, the very tough decision of having to change his Minister of Labour. I don't think that the problems assailing this province and assailing the First Minister's administration in the area of labour unrest and industrial difficulty can be handled, can be met any longer by the present Minister of Labour, and I think that he unfortunately and sadly demonstrated that to this House this afternoon. Members on this side, I think, have demonstrated that they have been prepared to try to keep as much partisanship, as much emotional politics out of the debates on the crises and the emergencies facing us today as is humanly possible in a Legislative Chamber of this kind. Instead, what do we get back from the Minister of Labour today, speaking out on the issue that has been one of the paramount issues in discussion and debate here since the session began? What we get is vituperation, what we get is pettiness and meanness that reflects the bankruptcy of that Minister to meet the problems that are now mounting all around us. What we get is a Minister, unfortunately, who under pressure has turned to petty partisanship and has turned to politics of the worst and the most disconcerting kind. The refuge he seeks is an attack on the Opposition. The refuge he seeks is on blaming the Official Opposition, generally, for all the ills that now surround him, and I think, sir, that that is a new crisis for this administration and a new crisis for this First Minister. I think that he has now to face up to what the people of Manitoba need in terms of a Labour Minister . . .

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MR. SPEAKER: Order please. I do allow a lot of latitude in this debate but we still are on the financial Bill No. 7, Interim Supply.

The Honourable Member for Fort Garry. The Honourable Member for Morris.

MR. JORGENSEN: Interim Supply covers one-quarter of all of the Estimates . . . includes all parts of government expenditures, which means that the debate is as far-ranging as you can possibly be relating to the subjects that come under the jurisdiction of the Provincial Government.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I recognize your direction, sir, and I will do my utmost to stick strictly to the relevance of remarks so that they fit into the particular debate we're engaged in. I am concerned with the labour crisis, the industrial crisis in this province, with the direction of the Department of Labour, which is an area legitimately coming under scrutiny at this stage of debate, and I am suggesting, sir, that the people of Manitoba and the members of this Chamber are being badly let down by the kind of action and reaction that we had in the debate this afternoon from the current Minister of Labour. I suggest that the problems for which departmental estimates have been prepared for him, the problems that he faces, are now obviously too big for him. They have obviously reached the point where they've assumed a proportion of pressure that has reduced him to a participant in this debate who can only indulge in attack on the Opposition rather than attempt to seize initiatives or develop initiatives that would produce some kind of solutions to the problems.

Mr. Speaker, the Minister has said, and others on the government side have said in the last couple of weeks in this Chamber, that we on this side have not come up with proposals in the area of labour legislation, proposals in the search for solutions to industrial dispute. What they mean, sir, is that we have not come up with anything that they like, and that's a far different thing from not coming up with anything.

The Member for St. Vital, the other night, was attempting to develop some kind of word play on our attention to the topic of vital services, and he succeeded in muddying the waters on that subject to the same extent that others have done before. He tried to play around verbally with the kinds of things we've been looking at in the Conservative Party in our policy convention recently in the area of vital services; he referred to essential services and then he moved on to the term "valuable".

Well, Mr. Speaker, that was unbecoming of the Member of St. Vital; it was unbecoming of him to suggest that we believe some people and some services are more valuable, and some people and some services are less valuable than others. The word "valuable" was never in debate and never has been in debate in the councils of the Progressive Conservative party in that context. There certainly are policies that are more valuable or less valuable than others. There are no people who are more valuable or less valuable than others, and no Conservatives at any convention or in any debate, to my knowledge, has ever suggested as much, and I think that the kind of twist and the kind of interpretation on our policy debates that the Member of St. Vital tried to place was unbecoming of him, because it was a distortion of the argument that we were engaged in and are still engaged in. What we are trying to determine here, sir, is what is in the public interest of the people of Manitoba, and if it's going to take some decisions that involve defining specific areas of service, specific areas of public service, that need to be protected and through which the people of Manitoba need to be protected against disruption and economic dislocation, then we're prepared to at least look at that subject; we're prepared to at least open it up and examine it.

It's a very simple thing for people to suggest popular kinds of legislation. It's easy for members on the other side, it's easy for members on this side, to suggest popular measures and popular legislation. What's necessary today in this province, in the whole field of industrial dispute, wage demands, inflation, cost of living, is some unpopular decisions, some unpopular action, and we at least, on our side, whether we have come up with policies that the government likes or not, is irrelevant. That's quite beside the point, Mr. Speaker. What we are saying is that some tough, unpleasant, unpopular decisions are going to have to be made, and if we make some enemies, unfortunately, some political enemies temporarily, by examining and exploring and proposing some of those tough and unpopular things, then so be it. That's the way it will have to be. I think the people of this province and the people of this country are looking to us, to the First Minister and his colleagues, to my leader and our colleagues, to

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(MR. SHERMAN cont'd) the Liberals, to everybody in this Chamber, to everybody in public office in this province, to take some initiatives now that are going to be tough enough, are going to be tough enough to hold the promise of some kind of answer to the inflation problem.

I don't think that disparaging the proposals, the suggestions of the Opposition or of any group, achieves anything in this kind of debate. I think that if the Member for St. Johns and the Honourable Minister of Labour and the Member for St. Vital and everyone else on the government side honestly and conscientiously looks at what the Conservative Party has discussed and has suggested inside and outside this Chamber since the debates in 1972 on the Manitoba Labour Relations Act, Mr. Speaker, they will have to, in honesty, concede that we have at least made the attempt of being bold and of being courageous in addressing ourselves to the subject of labour relations, industrial harmony, peace between management and the worker in this province.

This was the thrust of our participation in the debate in the summer of 1972 on the Manitoba Labour Relations Act; it was the thrust of the kinds of things that we looked at, at our recent policy convention, and it will continue to be the thrust of the position that we take in this House, in this session, until some tough steps are taken and until the problem is attacked with courage rather than with acquiescence.

So, Mr. Speaker, I appeal to the First Minister and his colleagues to look again at the kinds of things that the Minister of Labour seems unprepared to do, and perhaps unable to do, to look again at the reaction of the Minister of Labour this afternoon in his remarks to the suggestions that have come from this side of the House, and the criticisms that have come from this side of the House. What is being done here is no less responsible, no less important to the welfare of Manitobans than what comes from the government side of the House. We are here to propose what we think is necessary in refinement and in improvement of, or elimination of government programs, in support of those government programs that deserve to be supported and in-replacement of them by programs that we think would better serve the people of the province.

Our suggestions are, I suggest to you, Mr. Speaker, and everyone in this Chamber, eminently deserving of the full consideration of members opposite. They haven't been able to come up with any solution to the problem as yet, and for them to hide behind the fact that . . . hide behind the argument that the Opposition has not made any proposals, and hide behind the cop-out practised so often by so many of them in this session, that everything that assails us is the fault and the blame of the Opposition, is a disservice to the people of Manitoba, an abdication of the responsibilities of government. And I think that in the area of labour and labour problems particularly, Mr. Speaker, the First Minister now has to look at the question of who should be the Minister of Labour in this province. We have made some proposals as to what we think may be helpful, may be necessary in this area. I think now we have to consider another proposal, whether or not the present Minister of Labour is capable of coping with the problems that surround him at the present time.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Well, Mr. Speaker, I had no intention whatsoever of getting into this debate until my good friend, the Minister of Labour, rose to his feet this afternoon and made a number of wild statements and wild charges, and of course to allow those to stand on the record is not in the nature of anyone who holds a seat in Opposition, I would think. Though I know that the Premier in his capacity as Minister of Finance, and I know the House Leader is most anxious to have this debate completed, I'm sorry that I can't co-operate at this time. I really am.

Now Bill 7, of course, deals with about a quarter of the provincial budget, which is about a quarter of a billion dollars, and we've heard a little bit this afternoon from the Minister of Agriculture defending the government's position on financing a dairy plant, namely Crocus Foods at Selkirk. Now that isn't really why I rose to speak because that matter can be debated in the Estimates of the Department of Agriculture. But, Mr. Speaker, when we have this government getting into one business after another - and I stand to be corrected, but I can't recall one of the enterprises that they have engaged in that has produced any sort of a profit.

Now I know they are going to stand up and say, well they have a social profit.
--(Interjection)-- I'm not talking about a social profit, I'm talking about getting off the backs

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(MR. G. JOHNSTON cont'd) of the taxpayers. It's very well to engage in social programs, no question about that, whether it's housing or doing something for people at the low end of the scale. I'm not talking about that. But I'm getting a little concerned, Mr. Speaker, when we find this government entering into more enterprises that they have no particular reason to be into other than a philosophical reason.

Now, as I said, I'm going to talk at length about certain of their activities under the estimates and I'm going to leave that for the moment, but I do wish to ask the government benches, and I've listened patiently for two weeks now and there hasn't been one word in the Throne Speech, there hasn't been one word by one of the Ministers on any of the few bills they've introduced or any of their defense of government programs, there hasn't been one thing said about the report of the CFI Inquiry.

Now, the CFI Inquiry Report --(Interjection)-- I don't care who I embarrass. The Member for Ste. Rose says be careful who you embarrass. I'm not here to worry about who I embarrass. But, Mr. Speaker, the CFI Inquiry went on for some time. At the last session, of course, we could not discuss it because it was before a form of court - it was an official inquiry of the government - so everybody held their peace on it. The report is now down and of course, under the terms of reference, there was no suggestion that they should bring in recommendations or they should bring in conclusions for the government to act upon. So I think the government has a responsibility and a duty to tell the people of Manitoba what they are going to do about the biggest ripoff in the history of Canadian politics - the biggest ripoff in the history of Canadian politics and we hear nothing about it. It's forgotten now. --(Interjection)-- Well, I'm very happy to have got that information from the First Minister. He says in three weeks there will be a measure before us. I'm very glad to hear that.

But I would like to remind both the First Minister and his friends and some of the members on this side of the House in the Conservative Party, of some of the events that took place over the past few years. I refer now to a condensation that I compiled of newspaper reports, and I hope when the First Minister brings in his measures in three weeks or even before, that he'll answer some of the statements made by members on his side of the House and refute some of the statements that were made by members on this side of the House, if possible.

I go back now to a Tribune report of April 19, 1966, and Mr. Cherniack said: "The Roblin Government gave away resources to the Swiss company and, he says, 'What do we get?' " Well at that time, Mr. Speaker, there were being questions asked on this side of the House, and out of the Watergate inquiry there came a great phrase that is now in popular use - in popular use - and this phrase is that "we were stonewalled." We could not get any information whatsoever. Members on this side of the House, the now Member for St. Johns, the Minister of Labour - I think my friend the First Minister had left for Ottawa at that time, I'm not too sure - but we were stonewalled on this side of the House. We couldn't get any information whatsoever. Not only that, but there was an attempt made by certain people in this province to get the news media on the side of the government of the day, to make it appear that anybody who spoke in opposition or who asked questions, who wanted information, were accused of downgrading Manitoba, of chasing investment out of the province, of upsetting the apple cart, so to speak, and I think the term used every time members on this side of the House asked the government for pertinent information, the term used was, "Well, we can't tell you because it's a matter of confidentiality between us and the principals." --(Interjection)-- Well, the Member for Riel is muttering and if he wants to join this debate I hope he will do so before 10:00 or else tomorrow, because I think that this matter should be discussed. I think this matter should be discussed, and if it can't be discussed here well, where should it be, where should it be discussed?

And I go on. On July 30th, 1969 - this was after the Premier had formed the government - and as a paraphrase, it isn't the whole article, but Premier Schreyer says, NDP is satisfied with the agreements between CFI and the province. Well now, Mr. Speaker, I'm not defending the Premier here, he'll defend himself. I would hardly expect that after a few weeks, or a week, in his office that he would be able to get to the bottom of the question and, of course, he was relying on Mr. Grose at the time for advice, and I can understand, I can understand why he would hope to be reassured. --(Interjection)-- Yes.

MR. SPEAKER: . . . state his matter of privilege?

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MR. SCHREYER: Mr. Speaker, my matter of privilege is that in the area, which admittedly is important, that the Honourable Member from Portage la Prairie is raising, which he has every right to raise. Since he's raised it, I must point out that it wasn't only Mr. Grose, but I also relied on testimonials by the Royal Bank of Canada. That should be on the record too.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Thank you, Mr. Speaker, and I apologize if I placed the blame all on one person. I accept that.

The very next day - of course the Premier is still relying on the advice that he was receiving July 31st, 1969 - he says, the new agreement signed with CFI is, and in quotes "the kind of agreement we can live with". Now, July 31st, 1969, I presume he's referring to an agreement that had been made in the latter stages of the previous government.--(Interjection)-- Four of them. The Premier says four of them. On the same day he says, he is satisfied a proposed investigation of CFI agreement will not be necessary. And of course he stated where he received his advice from, or some of it.

On August 2nd, 1969, and this is quoting the Leader of the Official Opposition, or a condensation of the story: After Premier Schreyer announced that he had renegotiated a much better deal with CFI, Mr. Spivak claimed that his government had already renegotiated those aspects whilst in office, and, "It is pretty obvious that the present government need a face-saving device to take care of indiscreet, irresponsible remarks made during opposition, the election campaign, and even after assuming office". I'm quoting the Leader of the Official Opposition. These are his remarks.

In the Tribune, November 27th, 1969, Premier Schreyer is quoted as announcing, some bailing-out action is required from Ottawa. People must realize we are trying to salvage it. On the same date the Premier says, and it's quotation marks around the sentence "Blackest day in Manitoba's economic history".

On the same date Mr. Cherniack says, and I quote, "There are certain things we don't like about this deal".

In the Tribune of February 9th, 1970, the Premier is attributed to having said, the government would consider taking over CFI if irregularities are uncovered.

On March 16th of 1970 the Premier is stated as having said, despite allegations and rumours he is satisfied that the companies are conducting themselves in a responsible and ethical manner.

March 17th, a day later, he's quoted as saying, "I never would have signed a deal like that". Well, Mr. Speaker, I don't think a six year old at that time would have signed anything near a deal like that. I assume that the Premier was now getting some advice from other sources, I don't know, but ... Well perhaps the Leader of the Official Opposition can ask the Premier that question.

On March 24th in a Tribune article, March 24th, 1970, the then Premier, or no, the former Premier, Walter Weir, in criticizing the NDP government for making allegations of impropriety in the CFI deal, said, and I quote, "The government has access to information which would prove to any reasonable person how unfairly the CFI program has been criticized, and because they are now the government it was their obligation to come forward to correct the record".

The very next day, the now Leader of the Official Opposition said, and I quote "Time will record the imaginative development", referring to CFI, "is not, not as the blackest day in Manitoba's economic history, but as the regaining by that area, its traditional position as the true great gateway of the north, of northern Manitoba."

The same day, the former Member for Crescentwood, Mr. Gonick, said, and I quote, "In my view it is totally preposterous that we should go through with this fiasco".

On April 2nd, 1970, the Premier said in a news story, he announces that the government would like to have equity in the CFI complex, and I quote, "When you look at it closely you can see the previous government did not have a political philosophy". Now, Mr. Speaker, I don't know what kind of a deal the government at that time would have struck but most of the money had been poured into it, and perhaps it wouldn't have been a bad idea for the government to insist on some equity so they could get more control.

On June 2nd of the same year, 1970, the Premier criticized the former Conservative

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(MR. G. JOHNSTON cont'd) . . . Government for the former and deceptive information they have given in respect to CFI, and I quote, "In fact, some answers given at that time amounted to a deception, a hoax".

On April 6th, which was previous to June 2nd, the Premier did say, "The companies are sticking to the original agreement." And that's a quotation.

On April 25th of the same year, the Premier is quoted as having said, "There appears to be something not quite right, and that is putting it mildly," And that is a direct quotation.

On June 3rd of 1970, the Premier is quoted as having said . . .

MR. SPEAKER: Order please. The Honourable First Minister state his matter of privilege?

MR. SCHREYER: Mr. Speaker, I'm at some difficulty to know just how to handle the problem that I see arising under the rules of the House. For example, the Member for Portage la Prairie is quoting at some length, individual passages on various dates, and quite inadvertently I'm sure, but is creating a wrong impression with respect to at least two of those quotations. For example, sir, the quotation that is attributed to me, that the companies are now sticking to the original deal. What is meant by that quotation, sir, for example, is that instead of agreeing ultimately to the renegotiated terms, the companies decided not to and decided to revert to stay, or stick with the original agreement. That's what's intended by that quotation and not the implication that they were sticking faithfully to the intent of the original agreement, flawlessly in every respect. There's quite a difference in the connotation.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I didn't say the companies are now sticking to the original deal. The quotation was the companies are sticking to the original agreement. --(Interjection)--Well, Mr. Speaker, the point I'm making is, that this is what the Premier believed at the time, if he was correctly quoted, and this is out of a newspaper with quotation marks.

MR. SPEAKER: Order please. I realize that there is some difficulty debating when a member takes a number of quotes out of context and just uses them as such. I am sure the honourable member will have some time to think it over until tomorrow. The hour of adjournment having arrived, the House is now adjourned. The Honourable House Leader wishes to say something.

MR. GREEN: Mr. Speaker, I wonder before you deal with the question in that way. There is some discussion as to whether we would have a right to make a motion to go into Supply at the present time. I don't want that matter discussed. I intend that the House shall adjourn at this time, in any event. But I'm not certain that our original understanding wasn't that on Tuesdays and Thursdays we would be able to go into Supply if we were not already there. I'll have to discuss that. I'm not intending to make a point of it tonight because I intend that we adjourn. I wish that we not adjourn as if that was the only thing that could be done at this time.

CORRECTION

MR. GREEN: Another small point, Mr. Chairman. I thought that we would get to Supply tonight, in which case I was going to correct something which I said in Supply the other night, which is contrary to my own understanding or where which I'm quoted in Hansard as saying, which is contrary to my own understanding of the case and therefore a misstatement on my part if it was made in the way in which it was quoted, in dealing with the Thompson case. I said that the fund dealt with the application, thought that they could proceed with it, were advised that Ben Thompson could not be one of the applicants because he was a member of the Board of Directors, then dealt with the application as if it was being the application of Lamirande to be incorporated, and proceeded to proceed with the loan on exactly the same basis as it would have been if it were, it was to Ben Thompson. My own understanding of the matter, Mr. Speaker, is that a re-application was submitted by Lamirande to be incorporated, that there was a new application considered by the board. They did not deal with the old one on the basis that it was made by Lamirande, and therefore the material is not in accordance with my own understanding. I've asked - and it would not be fair to the Fund. I've asked the Fund to check my reading and advise me if my understanding is correct. But my understanding is not as I am quoted to have stated it but as I state at the present time.

CORRECTION

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, just on this matter. I then wonder if the Minister's indicating that it was an error in his memory with respect to this, or new information that has been furnished to him.

MR. GREEN: My understanding at that time that I made this statement, and as I previously informed the House, I believe on several occasions, that there was an application by Thompson that that one was virtually accepted, and then they found they could not proceed with it. A new application was submitted by Lamirande to be incorporated, and that is the one that they dealt with. That has always been my understanding, and if I stated it in the way in which I am quoted, then I was stating it incorrectly.

MR. SPEAKER: Is it the pleasure of the House now to adjourn? The House is now adjourned and stands adjourned until 10:00 a.m. tomorrow morning. (Friday)