

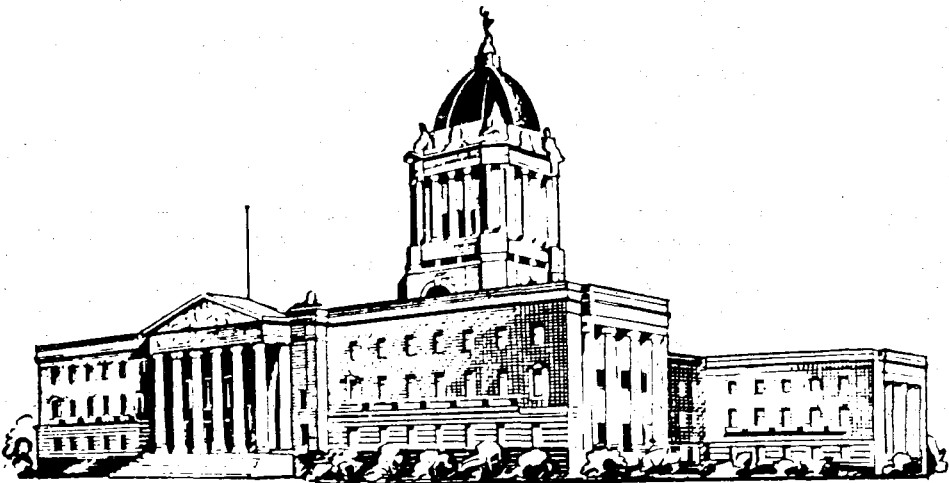


Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XXI No. 131 10:00 a.m., Friday, May 17th, 1974.

First Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	ROJ 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	ROB 0E0
CRESCENTWOOD	Harvey Patterson	NDP	978 Garwood Ave., Winnipeg	R3M 1N7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	ROA 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	ROB 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	ROC 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	ROJ 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	ROC 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	ROA 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	ROJ 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	ROG 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	ROG 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LAPRAIRIE	Gordon E. Johnston	Lib.	135 - 16th St. S.W., Portage la Prairie, Man.	R1N 2W5
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	ROG 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	ROJ 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	ROK 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Harvey Bostrom	NDP	Manigotagan, Manitoba	ROE 1E0
ST. BONIFACE	J. Paul Marion	Lib.	394 Gaboury Place, Winnipeg	R2H 0L4
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Hon. Saul Cherniack, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	ROL 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	ROK 1P0
SPRINGFIELD	Hon. Rene E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	ROL 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	1171 Westwood Dr., Thompson	R8N 0G8
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	ROM 0Z0
WELLINGTON	Phillip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	J.R. (Bud) Boyce	NDP	777 Winnipeg Ave., Winnipeg	R3E 0R5
WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
10:00 o'clock, Friday, May 17, 1974

Opening Prayer by Mr. Speaker.

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 12 students of Grade 12 standing of the Alvarado Public School of Minnesota. They are under the direction of Mr. Gruwell. On behalf of all the honourable members, I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements or Tabling of Reports. The Honourable House Leader.

MINISTERIAL STATEMENT

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Well, Mr. Speaker, I am proposing that Law Amendments Committee the first meeting of Law Amendments Committee to consider the bills referred, be called for Wednesday evening at 8:00 o'clock. This, Mr. Speaker, is a suggestion that was made by the Honourable Member for Birtle and I think it's a good suggestion in that it will permit us to reserve the mornings for House work and make the evenings available, which means that some members who are not on committee would not have to be here. It also facilitates the public to some extent, that people will not have to take time off work to make representation. I've discussed this with the other House Leaders and it seems to be satisfactory. I solicit the co-operation of the Clerk in bringing the meeting to the attention of anybody who he knows wishes to have it brought to their attention, and I also solicit the cooperation of the media, which has been forthcoming, indicating that the Law Amendments would be meeting at 8:00 o'clock and those people wishing to make representation should appear at that time.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Minister of Mines.

INTRODUCTION OF BILLS

MR. GREEN: I'd like to have this stand for the moment, Mr. Speaker.

MR. SPEAKER: Very well. The Minister of Agriculture is absent.

MR. GREEN, on behalf of the Minister of Agriculture, introduced Bill No. 70, The Animal Diseases Act. (Recommended by His Honour the Lieutenant-Governor)

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona) introduced Bill No. 73, The Buildings and Mobile Homes Act.

ORAL QUESTIONS

MR. SIDNEY SPIVAK, Q. C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Mines, Natural Resources and Environmental Management. It relates to the negotiations now taking place between the government and the Abitibi Company with respect to the cutting rights for that company. I wonder if the Minister could confirm that the government, in its negotiations, is asking to barter for the cutting rights, the company, the Abitibi Company, giving up a portion of its equity to the government.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, this question has been asked in one form or another on various occasions. I indicated that we are in negotiations with the company. I can't reveal the details of the negotiations but the negotiations are designed to result in the best possible situation for the people of Manitoba vis-a-vis the ownership of their forestry resources.

MR. SPIVAK: Well, I wonder if the Minister can confirm that the government's position is that the company must give up 30 percent of its equity to the government.

MR. GREEN: Mr. Speaker, I will neither confirm it nor deny it. I've indicated my position with respect to this.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct a question to the Attorney-General. Could the Attorney-General inform the House as to whether or not

## ORAL QUESTIONS

(MR. G. JOHNSTON cont'd). . . the Manitoba Liquor Commission has planned to shortly remove all fortified wines from the shelves of the Commission stores in the province?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I would like to thank the Honourable Member for Portage la Prairie for indicating yesterday that he'd be raising this subject in question period. I am in the process of having prepared a complete statement, a policy statement, by the Liquor Control Commission in respect to this subject plus others as a result of some decisions recently arrived at. I expect to be in a position to issue that statement to the House Monday as a package situation - Tuesday, I'm sorry - It's a package situation and I don't want to deal with it individually. So if the honourable member would accept my answer as notice until Tuesday.

MR. SPEAKER: The Honourable Member for Portage.

MR. G. JOHNSTON: Perhaps the Minister could answer this particular question now, or again later on Monday. Does the Chairman and his board have the legal right, and do they exercise it in a unilateral manner to make decisions such as this, other than with any other consultation with the Minister himself?

MR. PAWLEY: Mr. Speaker, I think that much of the matter involved is really administrative in nature as to the listing or delisting of various liquors, wines, etc. in the stores. In a matter so important as this, of course, the Chairman would consult with the Minister responsible for the Commission.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Industry and Commerce. I see he is not in his seat this morning; perhaps I can phrase my question to the First Minister. In view that the lease for Wardair has expired at International Base in Edmonton and they're looking for a new location, has the Minister or the government of Industry and Commerce had any communication with the President or executive of Wardair to see if that airline can be found a home in Winnipeg?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, there have been a number of rumours in recent months about Wardair, the changes in form of ownership involving Wardair, and the particular suggestion made by my honourable friend the Member for Assiniboia is one which can be pursued by the Minister of Industry and Commerce if he is not already doing so. But I would like to make it clear, Sir, that whatever happens in that regard cannot be taken as substitution or even partial substitution for the matter of the Air Canada overhaul facility in Winnipeg.

MR. PATRICK: Mr. Speaker, a supplementary. Since I understand Air Canada does hold an interest in Wardair, or a controlling interest, has the Minister already or will he undertake to have some indication and investigation to see if this airline can be located in Winnipeg? Would he undertake to do it if he hasn't?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, certainly we would undertake to explore that possibility and pursue it. I might indicate to the Honourable Member for Assiniboia that on April 9th, I believe it was, and April 10th, meetings were held between the Minister of Industry and Commerce and certain ministers of the Government of Canada, and with the President of Air Canada, Yves Pratte, and subsequent to that there has been additional communication. We will pursue the matter of Wardair, but it must be made very clear, Sir, that this is in no way to be regarded as something in substitution or partial substitution for the Boeing overhaul requirements of Air Canada at Winnipeg.

MR. PATRICK: One supplementary, Mr. Speaker. My question, I hope it wasn't taken that it was in substitution. I pose my question, it should be in addition, but my question is that what is the government's position to the present time? Are they looking for contracts, additional contracts that run out each year for CAE, or is the government's position at the present time that the CAE base should become part of Air Canada base that should be established and have work continually instead of the CAE every year looking for additional contract? Or is the government's position that the base must now become Air Canada's base?

MR. SCHREYER: Well, Mr. Speaker, as the honourable member knows, there is a commitment that was given some time ago by the now Minister of Defence, on behalf of the

## ORAL QUESTIONS

(MR. SCHREYER cont'd). . . Government of Canada - I believe he was speaking with the authority of the Government of Canada - with respect to a given quantum of work to be given to or contracted to CAE, and my colleague the Minister of Labour could confirm that in greater detail if necessary. In addition to that, of course, we have reminded the Government of Canada of its commitment to CAE but we have not put this forward in any partisan manner, we have simply reminded them from time to time. We have considerable faith and confidence that the Government of Canada will want to honour its commitment.

The second point I make is that the Honourable Member for Assiniboia, I am sure, is aware that Air Canada overhaul work must, according to the terms of the collective agreement they have with the Association of Machinists, the work has to be carried out in Air Canada-operated facilities. Therefore we would not like to complicate the issue of Boeing aircraft overhaul by being diverted into a discussion as to whether this should or should not be carried out in a CAE-operated plant as opposed to an Air Canada-operated plant. It is up to the Government of Canada to interpret its own requirements under a collective agreement to which its Crown agency is a signatory.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. In the absence of the Minister of Health & Social Development, I would like to direct my first question to the Honourable First Minister. Can the Minister inform the House whether a wife receiving Provincial Welfare assistance is having the cost of living index increase, given to her husband on his Canada pension, deducted from her welfare cheque?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there is something tacit or implicit in that question which denotes considerable complexity. I think I should take the question as notice. As my honorable friend is aware, the Social Allowances Act is based on need, the criteria is needs related, and therefore no arbitrary calculations to deduct or to add on can be made. I will still take the question as notice.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Another question. Can the Minister inform this House whether he intends to introduce a bill in regard to ambulance services within the Province during this session?

MR. SCHREYER: Mr. Speaker, we do not believe that legislation is necessary. It is a case of providing some form of assistance to local government, local hospital district operations. It's a case of financial consideration more than legislative.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, my question was for the Minister of Industry and Commerce, but maybe I should direct it to the Minister of Highways. I am wondering if the members of the Legislature will be able to ask the Manitoba Transportation Economic Council or the Manitoba Transportation Advisory Committee to appear before one of the committees of the Legislature so we can discuss the rail abandonment in the province.

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTONIAK (Minister of Highways) (Dauphin): Mr. Speaker, I will take that question as notice.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my first question is to the First Minister. It relates to Hydro and Lake Winnipeg. I wonder if he can indicate whether Hydro received a license under the Navigable Waters Act to block the channel leading out of Lake Winnipeg?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if my honourable friend is referring to the Jenpeg location, then I am wondering whether he is aware that at that location there were rapids, falls and the question of navigation is academic.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, no. I'm referring to the regular channel of Lake Winnipeg.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, where precisely? Because the expanse of Lake Winnipeg is considerable, Playgreen Lake is considerable, the Upper Nelson is considerable, in terms of its geographic expanse. I would like to know what area.

## ORAL QUESTIONS

MR. SPIVAK: Mr. Speaker, for clarification I am referring to the obstruction placed in the regular channel that the Minister of Mines & Natural Resources referred to some time ago.

MR. SCHREYER: Well, Mr. Speaker, I am not aware that a license was applied for nor granted, nor am I aware that there is any obstruction there now, but the matter could, I suppose, be pursued on an academic plane, but there is no obstruction there now.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Pardon me, Mr. Speaker. I was a little slow getting up here. I wanted to direct a question to the First Minister and ask him whether there is any possibility of the government mounting a program to assist the flood victims that might help supply them with a manpower pool or some sort of a labour supply for those people who are not able to find labour or are in a position where they can't physically do it themselves.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I can advise the Honourable member for Riel that I have asked two agencies, I should say two departmental offices of the Government of Manitoba, to consider the feasibility and administrative practicability of arranging for the summer student employment office to act as an expediting or clearing house so as to expedite, make available summer student manpower to those municipalities and individuals who have been victimized, have suffered flood damage and who now face the costs of rehabilitation. I cannot confirm to the Honourable the Member for Riel that we have the program confirmed nor the administrative arrangements all tidied up, but this is something which is under current review and hopefully I will be in a position to confirm the operation of this program next week or to indicate why we feel it is not practical to proceed. I will confirm that next week.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, on the same topic, I directed a question to the Minister of Mines & Resources yesterday regarding the possibility of any changes in the compensation plan for flood victims. I have had discussion with some subsequent to that, but perhaps he could indicate for the record what the answer is.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, as indicated, there are no changes from the program as originally announced and subsequently disseminated by Information Services, which I assume the Honourable Member has a copy of. There is a letter that I was referring to, that I said that I would have a copy of for my honourable friend. That letter is one that is going out to municipalities, not to the individual flood victims, but nevertheless, I will get a copy of it to my honourable friend as soon as it is available.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Labour. In respect to the statement issued yesterday by the federal Minister of Manpower concerning farm labour pools, could the Minister of Labour inform the House how the organization of such farm labour pools will affect Manitoba or be implemented inside the Province, and will they be available for farmers during the forthcoming summer work season?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I noted the news announcement referred to by my honourable friend. I haven't got the precise documentation yet, but I will be consulting with my colleague the Minister of Agriculture in respect of the possibility of establishing a farm labour pool.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if you would call Bill No. 55 followed by Bill No. 61.

BILL 55

MR. SPEAKER: Bill No. 55. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, Bill 55 is . . .

MR. SPEAKER: Order please. Would the Honourable Member . . . it hasn't been introduced yet.

## BILL 55

MR. SCHREYER: Mr. Speaker, Bill 55. I move, seconded by the Honourable the Minister of Labour, that Bill No. 55, The Centennial Projects Status Act, be now read a second time.

MOTION presented.

MR. SCHREYER: Mr. Speaker, Bill 55 is simplicity itself. The purpose of Bill 55 is to clarify the status of certain major Centennial projects, major projects that were built under the same kind of financial provisioning, one the same as the other, pursuant to 1967 and 1970 centennial years' financing programs involving both the federal and provincial levels of government in large part, some of which involved private subscription and raising of financing and some degree of municipal financing. But in any case, Sir, the municipal tax status of some of the projects named herein were clearly enough understood all along. Some were provided for in statute, some were not, and accordingly we are proposing in this bill to simply put them on the same plane and to make the same provision in simple statute law.

This bill relates or encompasses the property known as the Centennial Centre, which is administered under the Centennial Centre Corporation Act. It also includes the Centre Cultural; it includes the Keystone Centre and it includes the Winnipeg Art Gallery. It is the latter two in particular around which there was always needless confusion and uncertainty as to how best to proceed. We believe that Bill 55, if passed as provided for here, will clear all this up and also make it easier for the municipalities to proceed in the future since they will have greater definitive law and greater clarity.

Accordingly, Mr. Speaker, I might indicate that this bill, really, very brief as it is, does provide for the tax-exempt, municipal tax-exempt status for these projects listed herein, and also provides, however, that a business tax may be imposed by the municipality. The tax exempt status is not such as to include exemption from business forms of taxation that are and may be imposed by municipal government. And also those municipalities, such as the City of Winnipeg, which indicated they would have no objection in principle to the inclusion of the Art Gallery under tax exempt status, did however want to be sure or to be assured that if tax exempt status was granted or confirmed, that there be clear provision for the removal of the assessment from the assessment rolls. And that, Sir, is only fair.

There is also provision in this bill that in the unlikely event that any one of the Centennial projects is no longer used at some future date for the purpose for which it was built, for which the money was spent, then the ownership therefore shall transfer to the Crown. And I have no doubt, Sir, but that at some future date there may be some request for some greater refinement of that section, but in the meantime it's a matter of general principle, it seems to be valid enough, and we are proceeding to recommend it here in this bill. I don't believe, Sir, that there is any need to elaborate further.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Will the First Minister at this time permit a question? Would the First Minister be willing to table the agreements that were arrived at pertaining to these three projects plus the correspondence as well?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: If my honourable friend means the agreements relating to these projects, the answer is yes, of course.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that debate be adjourned.

MOTION presented and carried.

BILL NO. 61

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns) presented Bill No. 62 An Act to amend The Income Tax Act (Manitoba) for second reading.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Well, Mr. Speaker, on March 21st in the 1974 Budget Address, it was announced that the government would propose legislation to authorize the implementation of a new Manitoba cost of living tax credit program, and this bill contains the amendments to the Income Tax Act which are required to make the cost of living tax credit benefits applicable

## BILL NO. 61

(MR. CHERNIACK cont'd). . .to the current 1974 taxation year and to subsequent years. The bill also provides for increases in benefit levels under the Manitoba Property Tax Credit Plan for 1974, also in line with announcements that were made by the Premier on April 19th.

I believe that members of this Assembly are generally familiar with the programs, but it may be helpful to review some of the details at this time, and particularly some of the recent changes. In 1972, our government introduced tax credits for the first time in Manitoba. That year we implemented the Education Property Tax Credit Program which was estimated to cost some \$28 million. Under that program, tax credit benefits in respect of education property taxes and rental equivalents ranged from a general minimum of \$50.00 to a maximum of \$140.00. A detailed preliminary review of the results of the 1972 program was included with the material tabled on Budget night.

In 1973, our government decided to expand the tax credit plan very substantially and, at the same time, to speed up payment of a portion of the benefits so as to assist eligible resident homeowners to pay their property tax bills. Under the 1973 plan, the general minimum credit was raised by \$50.00 to \$100.00 and the maximum credit was raised by \$60.00 to \$200.00. And, in addition, the coverage of the plan was expanded to permit credits to be claimed against all property taxes instead of just school taxes. This expansion of the plan to cover all property taxes was accompanied by an enlargement of the rental equivalent calculation.

Starting in 1973 the rental equivalent of property taxes was doubled from ten percent, which applied in 1972, to 20 percent of the yearly rental payments. Also a portion of the 1973 credit benefits, up to the minimum of \$100.00 amount, were made payable in the spring or the summer of that year to resident homeowners through the tax credit advance deductions from their property tax bills.

It's estimated that property tax credit benefits payable for 1973 totalled about \$42 million. This year, as was announced on April 19th, the property tax credit plan will be expanded once again, and for 1974 the property tax credit maximum has been raised by another \$50.00 to \$250.00, and the general minimum credit has also been raised by \$50.00 to \$150.00. The \$50.00 increase in the minimum property tax credit for 1974 will make possible a comparable increase in tax credit advances for resident homeowners, which will be reflected in larger deductions from their property tax bills when they are sent out this next month or so.

In total, the expanded 1974 tax credit program, including the resident homeowner advances, should provide about \$50 million in direct property tax relief for homeowners and tenants. This is almost exactly 100 percent more than the total benefits provided under the original Education Property Tax Credit Plan for 1972.

And in addition to raising property tax credit benefits for 1974, our government has also announced plans to introduce a major new tax credit program this year, designed to help those in our province who have been hardest hit by inflation. This new cost of living tax credit program will mean about \$14 million in extra tax relief for 1974, and will provide benefits of up to about \$77.00 for a family of four.

Under the cost of living tax credit program, benefits will be calculated by deducting one percent of taxable income from two percent of the total personal exemptions as claimed for income tax purposes, but it's not necessary to pay income tax to be eligible for cost of living credits. In fact the maximum tax credits will go to those whose incomes are so low that they pay no income tax at all. In total, that meaning, Mr. Speaker, that after the exemption has been calculated and two percent thereof calculated, then there being no income tax payable, then no taxable income, then there will be nothing to deduct from two percent of the total exemption.

Therefore, Mr. Speaker, in total, including both the property and the cost of living tax credit programs, our government is committing about \$64 million to direct tax relief through tax credit programs for 1974 which is about \$20 million more than in 1973. And for a family of four, with a \$4,000 income, the maximum credit benefits under the two plans for 1974 will be about \$327.00, an increase of around \$127.00 over the maximum credit for 1973 under the property tax credit alone.

For a family of four, with a \$6,000 income, the maximum provincial credit will be about \$289.00, an increase of approximately \$108.00 over the maximum property tax credit for 1973.



## BILL 61

(MR. CHERNIACK cont'd)

For a family of four, with an \$8,000 income, the maximum provincial credits will be around \$249.00, an increase of some \$88.00 over last year's maximum.

At the \$10,000 income level, a family of four could be entitled to credits amounting to a total of about \$209.00 up about \$68.00 over last year's property tax credit maximum.

And at the \$12,000 income level, the maximum credits will be about \$171.00 which is up \$50.00 over the maximum of last year.

Mr. Speaker, I think it's interesting to compare these increased provincial credit benefits with a flat \$50.00 personal income tax cut proposed in the recent federal budget, a cut which will only go to those who pay federal income taxes of \$50.00 or more, so that under the federal plan, persons who have no taxable income would receive no benefit from Ottawa's tax cut, yet those with low incomes are clearly the very people who suffer the most as the result of inflation, and of course they too pay both federal and provincial taxes; even though they may not be income taxes, there are still various taxes to which they are subject. That is why we take some pride that our provincial tax credit plans provide a minimum increase in benefits of \$50.00 for 1974 and an increase of significantly more than \$50.00 for most families in low and middle income groups.

Now, Mr. Speaker, in perusing the bill, members will find that in addition to providing authority for our increased tax credit benefits, Bill 61 contains a number of amendments dealing with personal income tax installment payments. These are really only housekeeping amendments which cover administrative changes which have already been implemented by the federal Department of National Revenue, and these amendments are required under our province's tax collection agreement with the Government of Canada in order to ensure that our legislation remains parallel to the federal income tax legislation in this respect. Housekeeping amendments are designed to, firstly, permit a taxpayer to base his installment payments on his tax payable for either the current year or the preceding year. Secondly, it waives the requirement for installment payments where an individual's federal tax payable does not exceed \$400.00; and thirdly, it allows corporations the added option of basing installments on the tax payable for the immediately preceding year only, instead of forcing them to base the first two installments on the second preceding year.

Now, Mr. Speaker, this matter of course will be reviewed in detail in committee, but if honourable members have any questions or points to raise during debate on second reading, then of course I would be prepared to make note of what is asked and hope to have the answers possibly when I conclude, close debate, or in committee stage.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, if I may take a moment, we have in our gallery 6 students from Margaret Barbour Collegiate from The Pas. They are here especially to observe, as they are participating in a model parliament at The Pas. On behalf of all the honourable members, I welcome you here today. I'm sorry, I must also give credit that they come from the constituency of the Honourable Minister of Northern Affairs.

BILL NO. 61 - Cont'd

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I beg to move, seconded by the Member for Roblin, that debate be adjourned.

MOTION presented and carried.

MR. CHERNIACK: Mr. Speaker, the second readings, the adjourned debates.

BILL NO. 43

MR. SPEAKER: Thank you. Bill No. 43. The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I want to deal with a number of matters that have been raised by the Opposition with respect to Bill 43 and I appreciate the fact, Mr. Speaker, that perhaps there was need for some clarification. It was obvious to me, because of some of the comments that were made, that members opposite did not fully comprehend the intent of the amendments to the Farm Machinery Act, and

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(MR. USKIW cont'd). . . specifically they wanted to get more elaboration on provisions within the bill with respect to warranty and the exemption of certain parts from warranties, and the need for the fund which is being established, and of course why we want to proceed through this bill with the provisions for suspension without a pre-hearing.

I should like to take a few moments to deal with these matters, matters of very important principle. I should like to draw the attention of our members opposite to the fact that these changes are being proposed on the basis of the experience that we have already had with the present Farm Machinery Act, the experience of the board which administers the Act, and the representations that have been made to that board, both from farms, farmers, farm groups, dealers and companies. I should like to also point out and remind members opposite that all groups are represented on the board, and therefore one has to take cognizance of the recommendations that flow from the operations of that board if that board has any meaning whatever. They have handled many hundreds of cases in the last two or three years, on which they have based their recommendations.

Also, I want to remind members opposite that they are somewhat contradictory to their positions of the time when we introduced the bill, or that Act, in the first place, because at that time, Mr. Speaker, they objected to certain provisions in the Act, and which we are now amending to satisfy those objections - in part, in certain areas. And now they are objecting, Mr. Speaker, to those amendments. And I should like to ask them to go back to Hansard and to reflect on what they said a few years ago in light of what they are now saying, and to find out whether or not my statement here this morning is not correct.

The prime example in this area, Mr. Speaker, has to be in the area of small dealers and the problems of bonding related to small dealers. We have 200 or 300 dealers in Manitoba small ones that are classified as dealers, that have run into some difficulty with the present Act, and it is because of that, Mr. Speaker, that we are introducing the \$300,000 fund as a replacement for the bond, in order that they would not be in violation of the act and that licensing provisions would be maintained. So this is really in response to that kind of a problem and a response to the criticisms, might I say, Mr. Speaker, of members opposite when this legislation was first introduced two or three years ago. So I think that the members opposite would appreciate the change that is being made in that it will bring about a significant degree of relief to those people that couldn't quite fit into the parameters of the bonding provisions of the existing Act. So I simply remind members that there is an ample need for those revisions.

I should like to, however, take exception to the statements--(Interjection)--Yes.

MR. SPEAKER: The Honourable Member for Portage.

MR. G. JOHNSTON: By his explanation re the bond and the \$300,000, does this mean that some dealers will still be bonded and others will be allowed to operate without a bond?

MR. USKIW: Yes, Mr. Speaker, the changes will provide the opportunity for a bond or to participate in the fund. There will be a choice. And the people administering the fund will have the opportunity and discretion to decide on the amount of the fee that they will want to charge that would be collected for the purposes of establishing the fund. So that there is going to be, in other words, complete flexibility and we will be able to relate to people on the basis of their volume of business, for example, and how we establish our fees related to that volume. I think it's a much more sensible approach. We feel that we don't want to continue the practice which we have had in the last year, and that is where many dealers were violating the present Act because they couldn't comply with it, in that they were not able to get their bonds and so on. So it's an umbrella type of approach in the question of dealing with those people that are unable to get the kind of bonds that are now demanded of them.

The larger question, Mr. Speaker, however, I want to take issue with the members opposite, and that has to do with the principle of warranty. Anyone that has read consumer legislation anywhere, including our own, would appreciate that there is a real need for adequate protection against commodities, products that are not properly manufactured. And that's all warranty is, Mr. Speaker. It is not a provision that would allow people to abuse the products which they purchased against which they would then claim some adjustment, some warranty benefits. That is not what is being proposed here. Warranty simply means, Mr. Speaker, that if a machine is proven to be poorly manufactured where there is a definite defect in the manufacturing of that machine, that the company is responsible, and we have attempted in a number of ways to bring about the realization of these companies that they cannot abuse that

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(MR. USKIW cont'd). . . particular responsibility, that they must bring forth restitution to those people that have legitimate claims. So it is not an area to allow for abuse, but an area to pay for whatever is deemed to be required on the basis of the performance of the machine in question. And we have many cases every year, Mr. Speaker. We hear in the auto industry where thousands of cars are recalled - sometimes they're two or three years old - because a manufacturing defect was discovered and the company has assumed the responsibility to make good.

We have moved originally, Mr. Speaker, towards an hourly system. We were told then that that was not practical because the hour meters were not reliable and could be tampered with. Subsequently, Mr. Speaker, we amended the Act with provision of a three year warranty as opposed to the hourly system. We have now been told, "Well, we would prefer to have it either/or; we are now happy with the hour meters; they will perform for us. So please insert the option of one or the other," And that's what we provided in this bill, Mr. Speaker. And these are representations of the manufacturers that we are attempting to respond to, and yet, Mr. Speaker, no matter which way we move, we find that we cannot give satisfaction. And I suggest to members opposite that there is one more possibility, and I am giving a great deal of consideration to that and may be prepared to bring about that kind of amendment in committee. That has to do with deleting all reference to statutory warranties, Mr. Speaker. That is something we should consider - and I'll be interested to see what the companies have to say when they appear before us in committee - and referring any complaints regardless of the age of the machine, to the Farm Machinery Board who would then adjudicate on those complaints, and which would be subject to appeal through the courts. That is the other alternative and that may be the best way out; then we would only be dealing with the complaints that are launched with the board rather than a blanket approach to warranty provisions. And I think that it should be interesting to hear the views of the people who will make representations to this committee on that point.

We are not inflexible, but certainly there is a need, Mr. Speaker, and we desire some answer to this problem so that people are properly dealt with from the point of view of consumer protection legislation. But, as I said, we are prepared to make further amendments to make this function in the best way in the interests of both the suppliers, the dealers and the users.

I should like to point out, Mr. Speaker, that the Nu-Holland Machine Company has a lifetime warranty, and has for years, and therefore the legislation has no real impact on that particular company. They are prepared to warrant their machines--(Interjection)-- That's right, that's right. Therefore, Mr. Speaker, it makes me wonder why some people are objecting to a three-year provision which is their minimum provision. The Ford Company has not reacted to the legislation, they have co-operated most fully with this piece of legislation. The John Deere Company have a two-year or 1,500 hour warranty provision within their contract.

MR. SPEAKER: Order please.

MR. USKIW: Or that is they had that provision prior to the statutory warranty provisions being introduced. The Harvester people have had a one-year or 1,500 hours. We're not all that far apart, Mr. Speaker. And the reason we are now excluding certain component parts from the standard warranty provisions is to allow the board to set those provisions by regulation which would perhaps relieve some of the companies who find that they cannot get from the component suppliers the necessary warranty protection that they would require in order to get full recovery. And that we are prepared to look at and that is why we are now proposing in the changes that these particular parts be referred to the Farm Machinery Board and would be warranted on the basis of regulation rather than a statutory provision in the Act. We think that will go a long way in smoothing out the operations of the warranty provisions in this Act.

To waive the warranty provisions completely as some members have suggested, Mr. Speaker, would be to encourage the poor manufacturing of equipment and I think what we should want in any legislation is some method to encourage people to put out a good product. I recall not too long ago, Mr. Speaker, we had a certain kind of a field cultivator on the market that wouldn't last more than one season--(Interjection)--Well the Member for Virden says he had one of them. And the obligation of the company was to make it work one season, after which,

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(MR. USKIW cont'd). . .Mr. Speaker, you would have to re-equip that particular cultivator with a complete rebuilding kit which cost three or four hundred or five or six hundred dollars, depending on the size of the machine. And this, Mr. Speaker, was something we could not tolerate. I think that was an obvious example of poor engineering and really that machine should have been taken off the market when that was discovered early in the game rather than having farmers subjected to those costs and subsequently withdrawing or remodelling the machine at their own cost.

Mr. Speaker, we have had some submissions already on the question of suspension, cancellation of a licence and I agree that the provisions in the amendments are fairly tough, but those provisions, Mr. Speaker, were based on the findings of our board. We have had instances reported to us where dealers were twin financing, double financing. In other words there would be two financial contracts with two finance companies for the same machine, and we have had instances where a farmer has paid the one and found that the other was repossessing and in essence it was a fraudulent act on the part of the dealer. That is the only instance in which the board warrants the authority to move in without necessarily going through the procedures that are set out for other matters in this Act. It is because of that kind of practice that has already occurred that it was decided to move in this direction. Now it doesn't mean that one couldn't have a meeting with all parties concerned before the cancellation of a licence, but it would be something different than a hearing as we find in this particular piece of legislation.

On that particular aspect we will be most interested in hearing the representations because we too know that it is an extension of power that could be abused, could be abused if the wrong people were applying it. We know the dangers inherent there, Mr. Speaker, but we also know that we want some protection for the consumers of these products from people who would not hesitate to impose a fraudulent practice on their customers. And that is in essence the reason for that provision.

But we are prepared to listen and to amend, Mr. Speaker, and hopefully after this particular round of discussions we will have an Act that is much more workable and in the best interests of all people in Manitoba. Thank you.

QUESTION put, vote called, counted vote requested .

MR. McKELLAR: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The motion before the House is adoption of second reading of Bill 43.

A STANDING VOTE was taken, the results being as follows:

YEAS

Messrs. Adam	Malinowski
Axworthy	Marion
Barrow	Miller
Bostrom	Patrick
Boyce	Patterson
Burtniak	Paulley
Cherniack	Pawley
Derewianchuk	Petursson
Dillen	Schreyer
Doern	Shafransky
Gottfried	Toupin
Green	Uruski
Hanuschak	Uskiw
Johnston (P. la P.)	Walding
McBryde	

NAYS

Messrs. Banman	Graham	McKenzie
Blake	Henderson	Minaker
Brown	Jorgenson	Sherman
Craik	McGregor	Spivak
Enns	McKellar	

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MR. CLERK: Yeas 29; Nays 14.

MR. SPEAKER: In my opinion the ayes have it, declare the motion carried.  
Bill No. 49. The Honourable Minister of Health.

BILL NO. 49

HON. SAUL A MILLER: (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, I want to thank the honourable members opposite for participating in the debate and making it possible for the bill to go on to committee. I'm pleased that they recognize, as we did, that there was a need for a new Child Welfare Act, that the old Act had become unwieldy and although it is of course still a good Act, has many provisions which are still being carried on, there was a need to modernize and improve it and to make it more reflective of today's society's views and hopes. I share with the Member for Rhineland his hopes that the present strain, if I may call it that, between the Review Board and the courts in the execution of their duties and obligations will be decreased by the provisions in this bill by the creation of a treatment panel which will be in a somewhat different position, and I hope that by all parties working together that some of the stresses and strains of the past will disappear.

I would concur with the Member for Rhineland certainly that one should constantly strive for greater preventative measures and prevention rather than for the remedial or curative and this is contained within the Act, the rate at which we can move of course depends a great deal not just on government but on society's attitude, on the attitudes in a community, on the community resources, volunteer resources within a community that will come forward in order to develop the kind of preventative programs that I know he and I share.

The Member for Fort Rouge mentioned that the family life is changing and we know that, the day of the extended family is finished pretty well; we are now in what is known as the age of the nuclear family. We know that and we think that our bill does take cognizance of that, takes that into account. And we believe that the bill is flexible enough to be able to withstand the pressure and changes of time in the next decade perhaps, or perhaps even less, to meet the needs as they develop and as society's mores change. The Member for Fort Rouge questioned the nature of the legal counsel which might be assigned to present and protect the interests of children and I want to point out to him that the family of course or friends of the child themselves can seek out legal counsel or the court can appoint legal counsel. It can be requested through legal aid - that's one way.

On the other hand there is as much desire to avoid as much as possible the normal adversary situations where courts are concerned and attempts are made to deal with these things out of formal court proceedings if possible. On the question of the rights of the father in divorce proceedings, as the member probably knows the fathers have full rights and the father may adopt the same as anyone else providing they qualify and meet the criteria and again, as the Member for Fort Rouge points out, it is the needs of the child, the best interests of the child which really count.

The Member for Fort Rouge asked whether in fact we're creating a more difficult and complex system which may break down. I certainly hope not because if anything we're not adding, we're cutting down many of the existing provisions and requirements which tend to delay things, which tend to prolong matters and I feel that in fact the bill therefore is more streamlined or makes possible the streamlining of certain procedures.

On the question of day care there is obviously a disagreement between the Member for Fort Rouge and myself. I feel that in Manitoba we are now moving into a total day care program for the province as compared to the hit and miss of the past; that we have to move I should say slowly. We feel that we can offer a day care program as we have indicated, one that will meet the needs of those who need it most. It will certainly have to be watched, evaluated and monitored and if changes are indicated and needed then they will be introduced. But I believe that we should launch a program as quickly as possible for the vast majority of people who need it rather than to try to continue with a program which meets the needs of some but doesn't really scratch the surface of need. So therefore I have no hesitation in supporting the program we've put forward and although the comments made by the Member for Fort Rouge and my own really are somewhat secondary to the contents of the bill, nonetheless I can see that because of the definitions and other wording that the question of day care could certainly be brought into this debate.

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(MR. MILLER cont'd)

With those few comments, Mr. Speaker, I want to thank honourable members for participating in the debate, and as I indicated in my opening comments there will be an amendment brought in with regard to the adoption proceedings and I would want to assure the Member for Fort Rouge the purpose is not to allocate children across the province on an arbitrary geographic manner, that is not at all. Rather is an attempt to recognize that people should not be put at a disadvantage because of where they happen to live and the Children's Aid Society which covers that area or where there is no Children's Aid Society they are therefore almost prevented or certainly is made more difficult for them to adopt children. So that the purpose of the amendment on adoption would be to have a central clearing house so that people would not be penalized because they happen to live in an area other than what is immediately being served by a certain agency.

QUESTION put on second reading, MOTION carried.

MR. SPEAKER: Bill No. 60. The Honourable Member for Rhineland.

MR. BROWN: Stand, Mr. Speaker?

MR. SPEAKER: Concurrences. Go to concurrences? Very well. The Honourable House Leader.

PRIVATE MEMBERS' BILL 53

MR. GREEN: I wonder if honourable members would object if we dealt with Bill No. 53 which is on Page 4 of the Order Paper. Apparently it was stood on the understanding that someone wished to speak to it and that is not correct so if we can call Bill 53, if anybody doesn't wish me to call it I won't but if we can call it and then it can go to Committee.

MR. SPEAKER: Is it agreed that we go to Private Members' Bill No. 53? Private Members' Bill No. 53. The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education, Colleges & Universities Affairs) (Burrows): No, Mr. Speaker, it's not my intention to speak.

MR. SPEAKER: Does it stay in his name, then?

MEMBERS: No. No.

MR. HANUSCHAK: No, I just spoke.

QUESTION put, MOTION carried.

CONCURRENCE

MR. SPEAKER: Concurrences. We are now on Resolutions 4 to 6 separately and collectively. Executive Council. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I want to comment primarily on the topic that was under discussion last night under this item, which comes under the First Minister's administration and that's the question of the Hydro development in Northern Manitoba.

Mr. Speaker as I watched television I think Sunday night, and I saw the report come in on the possible flooding at Nelson House and I heard the commentator on it describe it as being Western Canada's counterpart of the James Bay controversy, I sat and I thought to myself, well, unquestionably this has to be an overstatement of the problem. And then, Mr. Speaker, having investigated a little further into the questions that were pursued in the House, we asked the government for some further information on the question, and the magnitude of the seriousness of the problem then became evident, because, Mr. Speaker, it appears that the controversy surrounding the Nelson House flooding could in fact stall the whole Northern project, depending on what happens, of course, and what course of action is taken by the community and what happens with regard to the Federal Government's action, but we soon realized that not only are the problems of flooding probably inflicted on the native community, but the remedial action that might be proposed by the government is also at the agreement, has to be undertaken with the agreement of the native community, since any remedial action has to take place on their lands, so the impossible situation that Manitoba Hydro is faced with and the project is faced with, of course, is that the entire diversion project could conceivably be held in the courts and be held up for a period of time that could be seriously injurious to the Province of Manitoba and to the progress of the project.

So much for the background, Mr. Speaker. It came as a further surprise in the House when the question was raised to the First Minister as to why this had happened, to hear him

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(MR. CRAIK cont'd). . . reply as a defence of what had happened, that if this had taken place, if the high level diversion or the plans of the former government had been progressed with, however, the water level would have been 80 feet higher than normal, 80 feet, Mr. Speaker. Well, you know, Mr. Speaker, that's almost enough to send a person back to the books to find out if all of this is bad. One person says it's the James Bay equivalent taking place in Western Canada, and the First Minister says you are adding 80 feet of water under the old scheme. These are claims that are serious enough to even send the laziest person back to the books to try and find out what in fact were the facts. Well, Mr. Speaker, going back to the sources of information, several things are apparent. One is that - and I prefer to document what I have to say with some actual figures rather than claim 80 feet or 8 feet or any other number of feet - the problem faced with apparently now is that there is going to be 819 feet of water with ice jamming at the location of the Nelson House community, and Mr. Speaker, if I go back to even those bad old days when high level diversion was being planned, I find that the proposed head water levels at the site in question is 800 feet, 19 feet lower than what the government is talking about. And, Mr. Speaker, if we had gone with the First Minister's statement of 80 feet of water, that would have meant that level should be about 870 feet, which would be 70 feet higher.

Now I think even somebody conversant with schoolboy arithmetic could hardly make the mistake of 70 feet, so, Mr. Speaker, we go back and we find that under the, even the high level diversion, that a level at that position was predicted as 800 feet and possibly 805, Mr. Speaker, but where is the back-up for the argument placed by the First Minister in addition to that last night in reply to the Member for Lakeside? He used the argument that since the water was going to be almost twice the flow under some previous set of conditions, 55, 000 cfs versus 35, that logically everybody should understand that they are really, by the course of action this government has taken, they and Mr. Cass-Beggs have taken, are in fact reducing the problem that would have existed before. Well, Mr. Speaker, the problem is not that simple. The problem is that the whole sequence of development has been changed, and the whole system control originally was planned to control the system all the way down the diversion path, but that is not what this government has decided to do. They decided to go for Lake Winnipeg control instead and to simply use the diversion as a diversion and not as a sequence of control sites with forebays and so on, that cascaded the flow down the diversion route.

So, Mr. Speaker, we get in retaliation to the legitimate position placed by the Member for Lakeside, who was at one time involved and very much understands, that if there had been a problem of this magnitude, it must be common sense that he would have been aware of it, Mr. Speaker, but obviously there wasn't so overnight we are advised of a problem and the defence on behalf of the government is that, well, if you think it's bad with us, it would have been twice as bad under you. But no evidence.

A MEMBER: Not true.

MR. CRAIK: But no evidence. Well, I am producing you the evidence. The evidence is in the report, and if you like, we can quote them to you chapter and verse, we can fly you the maps and give you all the rest of the documented information. So we get the government coming in and now saying that their defence of their action at Nelson House is justified because it would have been worse under a different set of conditions. We say that this is erroneous, misleading information to present to the House and to present to the people of Manitoba. Erroneous, misleading information, undefended by the facts, Mr. Speaker, undefended by any solid argument other than almost a layman's argument that if you put twice as much water down your problem would be at least twice as bad. That sort of an argument. Well, Mr. Speaker, we have people across the way that are saying he's a . . . They're all experts. The only problem is, I am more inclined to believe the designers of the project than I am the member for Winnipeg Centre. All we ask Mr. Chairman, as was requested last night, is that perhaps the government would be good enough to invite the experts down so we can actually find out what went wrong. Is the government saying that there was a grave error in the original estimates? Is the government saying that when it was said that in Chapter 4 of the Waskwatim Power Site Study that the head water elevation would be 800 feet, and that the ice flow conditions would be ameliorated by having a constant forebay, Mr. Speaker, that the ice jamming problems would be alleviated? Is the government trying to tell us that was all

## CONCURRENCE

(MR. CRAIK cont'd). . . wrong, Mr. Speaker? Were the estimates at that time out by 19 feet, in fact more than that if you take the Premier's statement that there would have been 80 feet of flooding? Were the estimates out by 70 feet?

Those are the answers we are getting to a problem - But it's not going to wash and we are not going to accept that kind of garbage. We're not going to accept that kind of garbage as an answer. There's too much at stake for Manitoba, Mr. Chairman. There's too much at stake for Manitoba, and that's exactly what we are being fed in this matter. What are the real facts? What is the real explanation? That hasn't been given to us yet. What we're doing is standing up and saying, in reply to a legitimate question to which we got an illegitimate answer, we now have to find our own evidence and we're saying, the Member for Lakeside is saying, as he said last night, that the information on which the project was initially based was that the levels at Nelson House would have been, at the highest, 805 feet and not the 819 that the government is now planning for.

Now, Mr. Speaker, what's worse, or what's even more revealing, is that those levels would not have changed substantially under proper control conditions whether you'd gone to a high level diversion or whether you'd gone to the medium level diversion at 854, which we agreed subsequent to the government studies in 1970, which we agreed would be adequate to do the job that had to be done. It would not have made any difference whether you got high level or medium level, providing the sequence of structures on the diversion course had been put into place according to the original plan. What the problem is is the manner in which the government intends to use the diversion. We have to assume that. We have to say that that is the only reason for the problem existing, because unless the government can say that its former studies were all wrong, that there was an error that is going to create tens of feet of water difference--and I don't believe that. There is no hydrologist that is out that far in that study. Well, Mr. Speaker, unless they can stand up and say that, they have to assume the responsibility for bringing in a diversion scheme where they did not realize the consequences. It was done in haste and without proper planning and back-up, it was done to substantiate the wishes and desires of Mr. Cass-Beggs and the government in their desire to find a solution, and everything that has happened since is a substantiation and this is an out-growth, a problem that has grown out of those hasty decisions. So we are not assuming, Mr. Speaker, the responsibility of the suggestion of the First Minister that Nelson House would have been substantially flooded. This report itself says - and you can look it up - it says that the flooding at Nelson House would be minor, docks and other facilities only requiring some change.--(Interjection)--

Well, Mr. Speaker, the Minister of Mines clutches for straws. I shall tell him then if he does not believe that, that the flooding at Nelson House was estimated at a forebay level of 800, a maximum of 805, Mr. Speaker, and on the basis of that the flooding would be --and he knows it is, because at those levels only docks are affected, and what he is talking about at 820 feet, which is 15 feet different, parts of the town, the whole community, are flooded as well.

So, Mr. Speaker, let the government stand up and take the responsibility for what they have done: changing the scheme; flooding the diversion; not knowing what the consequences were of their decisions before they did it; disregarding millions of dollars of information that were produced to provide a logical sequence of development, and having this crop up at the last minute in an unprepared way. Mr. Speaker, let them assume the responsibility, and enough of these offhand remarks, Mr. Speaker, using the power of the office of the First Minister to portray an image of an unfathomable 70, 80 feet of water that would have happened under a former diversion, where there is not one iota of evidence to back that up. In fact, the evidence shows that the level would have been, under the former sequence of diversion, the control of the flows of the diversion, a level of 805, 15 feet less than this government is talking about now of providing the people of Nelson House with (Applause).

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, it is very tempting to follow the lead set by the members from Lakeside and Riel to begin dredging up old history and to begin establishing or waving the banners for one form of diversion or another, and I would hope I would be sort of given some latitude if I was to say that at least as far as this group in the Legislature is concerned, we might be tempted to say, "we told you so," because if I recall my history



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(MR. AXWORTHY cont'd). . . correctly, there was a fair degree of caution issued by members from this group in the last session of the Legislature concerning the ultimate consequences and the impact of going ahead with any kind of Nelson diversion without having undertaken the proper assessment of the consequences. I think that we are now beginning to pay the price for that haste and begin to pay the price in terms of both economic waste as well as in terms of the human difficulties that are being experienced by different people up north, but I will restrain my temptation to provide for that regurgitation of past history because I am sure that it is well embedded in the minds and memories of the members opposite that it was certainly of some major impact in its own way during that time.

I simply want to point out that I think it should not go past us with the issue of Nelson as it has now emerged to, at least if nothing else learn from the lesson that is in front of us, and that is that we should have reached by this time a sufficient understanding to note that any major development of the scope and magnitude of the diversion system in the north, to say nothing of the diversion system we are now reaching in the south, should not be proceeded with without proper anticipation of the consequences that will occur. That we should at this stage at least, implant in legislation, if nothing else, certainly as part of government policy, that this kind of thing should no longer happen, that we should no longer be engaged in the kind of vitriolic debate that we heard last night and before about this diversion versus that diversion. That kind of thing could be avoided if this province were to undertake a legitimate and rational system of environmental impact studies so that development projects of that magnitude and scale could be considered with full information in terms of future consequences, the economic and social and human cost could be measured, could be assessed, could be looked at by all the parties that would be affected, and as a result changes and variations could be made, alterations and projects could be undertaken before, in fact, the damage is done. I suppose that is the lesson that stands before us now and I would hope that at this point we would not again forget it because I expect in the years ahead we will be also undertaking further projects, whether it's to develop more power or major waterworks or highway systems, whatever it may be, but I think that the moral lesson that we stand here is one that we have been remiss in not living up to the obligations for properly anticipating the consequences of our acts and morally remiss in not understanding that we can no longer in a cavalier fashion proceed by the sword of the expert and saying, we know what's right, because what we should have learned by this time is that someone who has dedicated and committed their lives and their professions for 30 years to developing power dams are going to see nothing but power dams and will not see sort of the ripples and the consequences that flow out from it. They're neither tuned to anticipating or even likely to anticipate that kind of fact.

I think it has been pointed out in this House previously that in the United States since the implementation of a requirement for environmental impact studies in 1970 on all federal projects there has been a very serious and major turnabout in the way the projects are developed, and particularly in that country where they attempted to proceed with atomic energy power plants, that in some cases those plants have been stopped, in other cases the plants have been altered and in most cases serious difficulties have been avoided. I think that is the particular lesson. I don't think much is to be gained by the kind of comments as saying, see we told you so, that if you'd only followed our plan for a high diversion we would have only flooded Nelson in a minor way, which I suppose means 15 feet of flooding as opposed to a major way which is 30 feet of flooding. You know, I guess according to the position of the Member for Riel, somehow it's like being partially pregnant or something. I don't see how it works out, but you just can't do it. That either you're flooded or you're not flooded, and I suppose 15 feet of water is just about as bad as 20 or 25 feet of water, once you're into it, you're into it. So I don't think that that kind of argument that under the high diversion you know, they would have been better off because they would have been able to hold their neck above water as opposed to being totally submerged. Well that's kind of specious reasoning.

I think the real reasoning should come out is that there were sufficient warnings over the past three or four years by all kinds of engineers and scientists who had begun to look at the problem, who were not saying don't stop building the diversion, don't stop the power development, but for goodness sake be careful, because there's a lot of things that could happen there that we can't see the consequences of yet. All we were saying is, hold off for a moment, Take a closer look. Be more careful as to how you are going to proceed and then

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(MR. AXWORTHY cont'd) . . . . be able to adjust and adapt your plans and programs in accordance with that kind of information. But little credence was given to that kind of warning, little recognition was given to the requirement of proceeding with less haste and greater care and as a result we are now going to be faced with flooding the Nelson and who knows, six months from now I suppose there could be - sort of God willing that there not be - but there could be other kinds of problems emerging because as each step goes on you find other things you have to anticipate. And all I'm simply saying is this. I don't think it bodes this House well other than to sort of recognize the fact, but I would hope that we could gain from the First Minister or the Minister of Mines and Resources, both of whom share responsibility in a major way for this kind of project, the commitment and undertaking that in the future, from this point on, that the lesson will be learned and applied that we should not proceed in the way we have proceeded in the past; that there is too many dangers, too significant and serious consequences and therefore we must develop a better system of anticipating the impact of major developments of a variety of kinds in this province not just to protect the interests of those directly affected but to protect the interest of people who are going to pay for the projects and to protect in effect the government or any other person in the development field from constantly running into those kinds of obstructions. I think with the slightest sort of salt of wisdom that we could have applied to this project, we would have been able to avoid many of the kinds of difficulties we're now being faced. And I would suggest that that is the meaning of what we are seeing before us now and I suppose all we can do is simply - we can't go back and correct the mistakes, all we can do is try to avoid them in the future.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, with respect to the Executive Council and concurrence, there are a number of aspects that I believe should be discussed and have been discussed already and I intend to deal with a few of those matters that have already been referred to, and then with others that have not been referred to, in order to deal with the Executive Council position and that of the Premier, because the Premier's Estimates to this extent are involved because his ministerial salary and his administrative staff are involved in this particular department.

I'd like if I may deal with the question of Hydro, and, Mr. Speaker, to present what now appears to be the tactic of the government almost in every matter. In any issue that's presented to them in which there is a question raised as to the judgment and the facts that have been presented they immediately respond by saying, we are satisfied, we've examined it, we've released certain information, that without question gives us the information. Or, they go further and they make almost ludicrous statements, exaggerations, incorrect information and then having presented that say that it's so. That's exactly what the First Minister did when he talked about 80 feet for Nelson House in answer to a question two days ago. He knew that that statement wasn't true yet he made that presentation, Mr. Speaker, and he made that presentation as a basis to try and point out that the action taken by his government was correct.

The Honourable Member for Lakeside yesterday in dealing with this matter has presented a case that will haunt the First Minister during this period while he's in office and later on when those who are the historians of the province will deal with his term of office and deal with the Hydro matter. Mr. Speaker, the members opposite can mutter away to this side, they can make statements saying that we do not know what we're talking about, they can do anything they want; but the facts are, Mr. Speaker, that within a very short period of time, in almost three days, Mr. Cass-Beggs came in and at the direction of the government altered the course of action of Hydro and in effect ignored the whole series of studies that had been undertaken up to that point. And, Mr. Speaker, I must again point out what the Honourable Member for Lakeside pointed out, that Mr. Durnin who was also involved at that time refused to be part of that report and left the meeting that was held when the conclusions that Mr. Cass-Beggs had brought up were to be approved and left this province because as a professional engineer he would not put his name to that proposal. And, Mr. Speaker, everything that has stemmed from that meeting and from that report has resulted in a series of political decisions attempting to justify a political position rather than having an independent evaluation of the facts to be able to establish what should be done in the interest of all of Manitoba. The problem now, Mr. Speaker, is the government is faced with a situation in which they have to deal with an Indian community much larger than Southern Indian Lake, with consequences that are much more severe, which were

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(MR. SPIVAK cont'd) . . . . not anticipated, nor were they even considered to be a problem based on the reports that we have referred to already that the Honourable Member for Riel has referred to.

And, Mr. Speaker, the First Minister wishes to brush this off as if this is something that would have happened before. He has no evidence to that. But he's satisfied, as the Minister of Mines and Natural Resources says he is satisfied about the Communities Economic Development Fund. The Communities Economic Development Fund representatives come before the committee, they present a complex series of answers and then, Mr. Speaker, the Minister of Mines and Natural Resources says that he's satisfied. And the First Minister says that he's satisfied about Hydro. Well, Mr. Speaker, those statements are incorrect. As a matter of fact those statements are not accurate and I suggest that both Ministers knew in their presentation that those statements were not accurate, just as the First Minister knew when he said 80 feet that that was an outlandish and ridiculous exaggeration, but he said it. And then he talks to us that what we are presenting is garbage. Well I suggest, Mr. Speaker, that the statement that the Honourable Member from Lakeside presented yesterday will stand up, and I suggest that when he warned the government on the other side that there are consequences to their actions, that are going to become more in the public domain, more knowledgeable in the public domain in the months and years to come because this Hydro matter is going to be with us, that the Honourable Member for Lakeside has forecast correctly what is going to take place. And the First Minister and his administration will be plagued and history will show the foolishness within which they gambled and the cost, Mr. Speaker, to the people of Manitoba.

The cost now, Mr. Speaker, is \$400 million, and I repeat, if a judicial inquiry was held today it will prove that it is \$400 million today that the people of Manitoba are going to be paying. And that amounts, Mr. Speaker, to \$1,600 per family. Mr. Speaker, if for that \$400 million that we are going to have to borrow now, the universities just on the interest itself could be able to carry on without the taxpayer having to have to pay. I mean the dimension of it is beyond, you know, beyond really comprehension when you realize it. But the honourable members opposite, you know, take pride in the fact that what they have done is better than what anybody else would have done, and they are also, Mr. Speaker, fortified because they do have a number of backbenchers like the Member for Radisson who will accept anything that has been said, and who will support, Mr. Speaker, anything they do, so they don't even have to answer to their own caucus; you know, they don't have anybody questioning them as to what they're doing. They had the Honourable Member from Crescentwood last time but you know, he got sick and tired with them and they got sick and tired with him and they threw him out and threw him to the wolves. And, Mr. Speaker, the fact is they have nobody on the other side even questioning what's happening, because they don't know. They have full faith in their Ministers. Well I suggest to you, Mr. Speaker, that time with respect to the exposure of the New Democratic Party government's attitude, its conduct, its misinformation, its mismanagement and its cost to the people is something that is going to become more and more apparent as the months and days to come, and the Nelson House issue, Mr. Speaker, right now is only one of many things that will happen and they are going to have to deal with it.

Mr. Speaker, the Honourable Member for Lakeside basically gave a solution to the government as to what should happen and he indicated the sequence that should be undertaken now, that was done as a constructive action on his part. There is still a way, Mr. Speaker, of salvaging it, but that would have to admit, Mr. Speaker, and that would be the difficult thing on the part of the government, that the sequence on the Burntwood River would have to be followed and that the costs now have to be borne with respect to that sequence that should have been borne many years ago at substantially less cost than today because of the increased cost due to inflation and just the increased cost of construction. And the Honourable Member for Lakeside indicated that there is an opportunity for the government to retrieve its position, to be able to save the community at Nelson House. It's a costly one, it's a costly thing that has to be done but it can be done and the question will be again whether they're going to have the guts really to do it and to admit the error that they've made.

Mr. Speaker, they're really not interested in anything we have to say because as I say they're supported in the sense they have a majority of members like the Honourable Member for Radisson who will stand up and vote for whatever they say and who really at this point are not prepared to show any intellectual honesty in questioning what has happened. But, Mr. Speaker,

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(MR. SPIVAK cont'd) . . . . the problem that arises now is only one, I suggest, of a series of problems that are going to arise that are going to be more severe. --(Interjection)-- Well Mr. Speaker, the garbage was the answer of the Premier yesterday. The Premier's answer was not correct. The Premier did not give right information to this House. The Premier stood up as Premier of this Province and has used his office not only on this occasion but on others to basically make representations that are untrue, knowing they're untrue. --(Interjection)-- Yes, yes, Mr. Speaker, the Premier stands up and makes statements that are not correct with respect to this, that could not stand the test at all, could not stand the test of any independent investigation. They're not true, they're not true. He stands up and he recites a proposition and says it's so. And because he's Premier there's a tendency on the part of people to believe him because he's Premier. --(Interjection)-- Well I want to tell you and the Honourable Minister of Co-operative Development knows it as well. The Premier said he knew nothing about the co-op matter and you and I both know that that wasn't true. --(Interjection)-- Oh, you don't, eh? I say you and I both know. And the problem with the Premier and the problem with the Hydro officials is that if they were sworn under oath you'd have a different story.

Mr. Speaker, I've already referred to the fact that my office receives calls from people who are connected with Hydro indicating the kind of information that's been furnished is not accurate. Mr. Speaker, we have the documentation . . .

MR. SPEAKER: Order please. I wonder if the Honourable Member for Radisson would kindly cease and desist. If not, would he remove himself. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, we have the documentation which proves our case. We have the documentation which proves the position of the Honourable Member from Lakeside and the Honourable Member from Riel. Where is the information that proves what the First Minister said yesterday? He can't produce it. When we talk about Mr. Cass-Beggs, he talks about Mr. Bateman. But we want to talk about Cass-Beggs because --(Interjection)-- Yes, I'll tell you, Mr. Speaker, how could a man in such a short period of time come here, make alterations and changes in a proposal and know full well what consequences, the full consequences of what he was doing? You know, how many engineers did he marshal together to be able to deal with the kinds of report and information that was available before?

MR. USKIW: Would the member yield to a question?

MR. SPIVAK: Later. Mr. Speaker, the fact is he made a change and he made the change to meet the political needs of the government. In the course of doing this the government has done everything to try and justify its course of action and that literally has cost and will cost the people of Manitoba \$400 million.

The Minister of Finance stood up yesterday and said we're going to loan \$50 million for 20 years at 10 percent. Mr. Speaker, we are going to be committed as a province to pay off a loan for 10 percent for 20 years for \$50 million. That's incredible. What that means, Mr. Speaker, is that we are going to have either high inflation for the next 20 years, where 10 percent will be at least the lowest that it is going to be available to us, or it simply means that our needs are so great now that we have no bargaining power. And I want to say to you, Mr. Speaker, that if I'm correct on that \$400 million that has to be borrowed now and has to be paid for, that increased borrowing that we have to undertake because of the errors of the government are only compounding the problems, because it's not just, Mr. Speaker, the additional money that has to be paid, it's the additional high interest rates that will have to be paid over the years as a result of the necessity of the high borrowing, caused, Mr. Speaker, by the kinds of errors that the honourable members opposite have undertaken. --(Interjection)-- Well, Mr. Speaker, we weren't going to borrow \$400 million. Let's just look at what our situation is. We're going to borrow \$700 million this year. That \$400 million, Mr. Speaker, is in fact the excess amount of costs, and if we take that \$400 million off the \$700 million, Mr. Speaker, we're only borrowing \$300 million. And I suggest to the honourable members opposite that the rate that we would have to pay for borrowing \$300 million as opposed to the requirement for \$700 million, with some recognition by those who are the investors in Manitoba of our situation, Mr. Speaker, I say that on the basis that if an investigation was ever undertaken, that information would also be available, with some knowledge, Mr. Speaker, of the kind of mismanagement that has happened here, that we are in no bargaining position and we are paying the high interest rate. So let's not kid ourselves about that.

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(MR. SPIVAK cont'd)

You know, Mr. Speaker, if the truth was known, if the information was supplied accurately, you know, I think that the real situation of what this mess has cost the people of Manitoba would startle them. They have no idea, and the First Minister knows that and he's enough of an historian to know that the kind of independent judgment that he'd like to talk about, Mr. Speaker, is going to be made. It'll be made after his term of office is over; it will be made later on, and he has to take his chances at that point because there's nothing he can do about it now. He's compounded the problem.

But, Mr. Speaker, he talks about faulty data available to him at the time when he took government. The faulty data has been supplied by him. He talks that the information has been furnished. Well, Mr. Speaker, where was the information in the Committee on Public Utilities that Nelson House was going to face this problem? Where was it? Why was it not known? Why was it not said? Questions were asked a year ago as to cost escalation. Questions were asked, with respect to Lake Winnipeg regulation and its cost, by the Honourable Member from Riel, and we had answers from the Premier. Were those answers accurate? Were they anywhere near the truth as to what the percentage increases would be? Does anyone believe that we cannot document the kind of misinformation that was supplied in the answers given by the government to the questions that were asked? You all know that we can do that. And I'm saying to you, and I'm saying to you on this particular matter now, the Premier's information is garbage, his answers are garbage and his answers are not true. And that's the problem, Mr. Speaker. His answers are not true and he is the Premier of the province. His answers were not true on the Co-operative Development aspect and his answers are not true on this, Mr. Speaker, and the problem is that he has traded off on the position of being Premier and there's been an assumption, Mr. Speaker, that as Premier he has to answer correctly. Well, Mr. Speaker, he's not answering correctly and, Mr. Speaker, the people of Manitoba are reaching the point now where they recognize what the Premier and what the NDP are all about.

Well, Mr. Speaker, now we'd like to deal with the Premier's office and the Executive Council's office. You know, we spent \$3 million on the Executive Council, which includes the Computer Centre and they are paid for by various other departments, which includes the administration that has to take place for the Premier, and no one questions that. But we have a Planning Secretariat of Cabinet, a million dollars; we have Management Committee, \$1,520,000; and, Mr. Speaker, buried within the other departments are a fair amount of the planning that's undertaken really by the Premier's office, with people charged in other sections. And one has to say, well, what is the objective of this whole planning and management function? The whole objective of the planning and management function is to guide the government in the development of the policies necessary to meet the needs of the day, to anticipate the future needs and to be able to deal and cope with them.

Now what are our problems in Manitoba? Well, Mr. Speaker, our problem in Manitoba, as the problem exists in other provinces and in Canada, is the high cost of living. Our problem, Mr. Speaker, in Manitoba is the nature of the inflation that we live under and how we can cope with it. And, Mr. Speaker, if one examines the kinds of money that are spent for management and for planning, where is the leadership being provided by the First Minister with respect to any of these problems? Where are the studies undertaken for the thousands and hundreds of thousands of dollars of the researchers which would indicate some kind of direction, some kind of plan?

You know, the Honourable Minister of Industry and Commerce - and I'll have an opportunity when we talk about concurrence for him - talked about what he says is the business community and what I have said and what I have done and what I have told them. Well, nobody has been listening to the Minister of Industry and Commerce for several years. It really makes no difference what he says at all. It does make a difference what the First Minister says because he is the Premier of the province, and, Mr. Speaker, the reason that it becomes important is because the leadership, because it isn't coming in economic matters from the Minister of Industry and Commerce or from the Minister of Agriculture, in social matters because it did not come from the former Minister of Health and Social Development and that's why he was changed, has to come from, Mr. Speaker, the First Minister. And if it has to come from the First Minister, who is advising him? Where is the direction? What policy statements has he made? What leadership has he shown? Mr. Speaker, nothing.

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(MR. SPIVAK cont'd)

In dealing with the essential problems that affect people today, outside of a bit of political maneuvering - and I'm going to come back to that in a moment - where is the justification for the millions of dollars that are being spent on research in the policy presentations, the policy statements, the policy leadership that is supposed to be given by the Premier and the government? It just isn't there; and it can't be found, because, Mr. Speaker, he and the others have been satisfied to allow these matters to run wild, to have people running all over the place on a variety of stupid studies, stupid studies without any direction. When the reports are brought forward -- and I've already thrown them on the floor once and those are the ones that we know about, the others we don't know about; we find them out rather surreptitiously and I agree with the Minister of Finance that's what happens, because the only time we find out about these documents is when the people working for them get so disgusted because of the way in which their research is handled that they somehow or other draw it to our attention.

The fact is, Mr. Speaker, that what has happened is that that Planning Secretariat serves no function. The Management Committee have a responsibility for the supervision and control of expenses but where is the restraint, Mr. Speaker, in the Budget that has been presented? Just show me where those restraints have been exercised. The restraint was exercised by a declaration, a policy declaration that must have taken years of study, that there should be only an eight percent increase for hospitals right across the province. Then the Minister of Labour stands up and says we have now solved the strike problem by giving them a contract which in effect throws that eight percent right out the window. What I'm suggesting, Mr. Speaker, that in terms of the Executive Council and the research function and the work and the leadership that is supposed to be given by the Premier, that in respect of the issues of the day, with respect to the cost of living, with respect to the degree of taxation, with respect to inflation, there is no leadership that has been provided on the national scene as the Premier of this province, and there's been no leadership provided in this province.

The Minister of Finance says we are going to provide a cost of living reduction plan next year. Not this year, next year. It's going to apply for this year, it's going to be paid out next year. Well that's interesting, Mr. Speaker. By next year the cost of living will have increased four or five times the amount of money that they're going to try and give back to the people. And they think that, you know, that what they're doing will sound good, that it's a well-reasoned plan, it's based on knowledge and information and factual data provided to them. Well, Mr. Speaker, that was a political gimmick worked out by a few planners who have worked with the Minister of Finance and the First Minister in trying to be able to give back the excessive amount of taxation that is really coming to the provincial treasury as a result of inflation. Because the government has profited by inflation, and they are the main profitters of the inflation and they continue to be the main profitters of inflation.

Mr. Speaker, when Dr. Weldon was here, the government had at that point at least one advisor who understood economics and what was happening in the economy of this country, and while I personally may have disagreed with some of the basic direction that he was indicating, nevertheless he took the government through a period of time that was important. But, Mr. Speaker, Dr. Weldon left and no one else has taken his place. And, Mr. Speaker, the kind of guidance that he would have given was not given, because, Mr. Speaker, his statements, published statements afterwards, are directly contradictory to the kind of programs that the government have conducted. He said the time had come for government spending to be controlled and to stop, yet this government has added to inflation by simply increasing its spending, and they've tried to maintain the economy of this province by massive government undertakings, and in the course of doing it, Mr. Speaker, has added to the inflation and to the load that people in this province have to take. --(Interjection)-- Yes. Mr. Speaker -- well no, I must tell some of the honourable members. No Siree, I wouldn't . . . I would have asked people to fill the jobs that are vacant now, the jobs on the farms that are vacant now, the jobs in the service industry that are vacant now, the jobs in the manufacturing industry that are vacant now. Mr. Speaker, that's what we would have done. I would have at least hoped that --(Interjection)-- Oh yes. Well, Mr. Speaker, the only person in Manitoba that I want to put out of work is the Member for Radisson. I would like to put him out of work very quickly, because I think his contribution, I think his contribution is so little, Mr. Speaker, to the House. I find it amusing because I always keep referring to him as Barney in the Flintstones because he always reminds me of that. But, Mr. Speaker . . .

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MR. SPEAKER: Order please.

MR. SPIVAK: But, Mr. Speaker, as amusing as it is to me, I think the best thing for him would be for him to get a job. He would be far more productive getting a job than what he says here and what he does here, and would certainly be far more productive to get him off the Hydro Board so they can at least get on with the job and not have another political appointee directly doing what the government wants, to try and solve its political situation.

Well, Mr. Speaker, what I'm saying to you is that there is no evidence by the actions of the Premier that the kind of moneys spent on the Planning Secretariat are justified. There is no evidence, Mr. Speaker, that the kind of money spent on the Management Committee is justified, because there appears to be no restraint. One just has to look at the number of employees and the budgets with respect to salaries. Mr. Speaker, in 1969-70 the salaries were \$159,000 for Planning and Priorities. In 1970-71 it was \$344,000; in 1971-72 it was \$536,000; in 1972-73 it was \$458,000, but they transferred certain people out to try and give the impression that it was less.

Mr. Speaker, in the Management Committee, the salaries are \$770,000 in 1969-70; in 1970-71 they were \$952,000; 1971-72 they were \$1,323,000; in 1972-73 there was \$1,587,000.

Mr. Speaker, the budgets indicate, the budgets indicate an escalation in costs that are not justified by the kind of direction and action that's being undertaken. Mr. Speaker, the only new kind of direction that's being undertaken that we can see, and that we have to go by the Speech from the Throne and the course that's taken place so far in the House, because, Mr. Speaker, this is really a nothing session. There's really nothing very much happening. No, there's nothing much happening. I mean, the government is asleep; the government is absolutely asleep with respect to the issues of the day. How are they attacking the problems, Mr. Speaker, with respect to the issues of the day?

They're going to go into fire insurance. They may go into treasury branches. They may. We're going to have a volumetric tax on mining corporations but we yet haven't figured out how we're going to do it and we're going to make -- the principal of the Cabinet is going to do it. We're going to allow the Civil Service to be politicized. Well, you know, the mere fact of the matter would simply indicate that it's been politicized for a little while in all they're doing. Management Committee, Mr. Speaker, is taking hold of the situation, has been ensuring that there's protection and control. When the Minister of Northern Affairs stands up, he says, "I had 40 contracts last year and Management Committee wouldn't give me the new positions. They only gave me six or seven, but they allowed me another 40 contracts." So in effect, Mr. Speaker, his employment -- that is the numbers within his own department -- went up by 40 or 50, with 40 people on contract. Forty or fifty people on contract.

Well what's Management Committee supposed to be doing? If Management Committee is supposed to exercise a restraint, how is the Minister of Northern Affairs allowed the appointees? Who are they? Mr. Ben Thompson, Mr. Don McIvor -- do you want me to continue on, Mr. Speaker? I can go on. Who's kidding who about what's really happening? Who's kidding who about what's really happened with respect to the way in which money has been allowed to be spent by government for a whole host of people whose activities on behalf of the people of this province can be questioned, whose activities on behalf of the party and in the interests of the party, the New Democratic Party, are well-known.

So, Mr. Speaker, I suggest to you that in dealing with the Executive Council estimates, and dealing with the Planning Secretariat of Cabinet, and dealing with the Management Committee of Cabinet, there is no evidence at all in any of the declarations, the statements, the policy position, that the First Minister had, on behalf of the people, dealt with the essential problems that they are confronted with. We have political gimmicks, we have the shell game being played in the cost of living reduction plan, and including, Mr. Speaker, the education tax reduction plan. That's all it is, is a shell game, and for that we don't need a couple of million dollars in expenditure on the Planning Secretariat because you don't need the planners for that. We have the complete waste of whatever talent existed within the Civil Service and whatever new talent has been brought forward and, Mr. Speaker, there may not be, among the members opposite in that caucus and the back benches, any sense of frustration with the government, you know, because they sit here and they think all these pronouncements are pretty important and they believe what the First Minister says, and they know that they get a salary and they will for the next few years, but, Mr. Speaker, the frustration that exists within the New Democratic Party members who were brought in here to become the planners, to try and assist and carry out

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(MR. SPIVAK cont'd) . . . . some of the social and economic programs that the government committed itself when it was in opposition, their frustration is unbelievable. Many of them have left. Most of the senior people are leaving and they're leaving for one good reason, Mr. Speaker. There's just no point of dealing with that government or dealing with the First Minister, because the decisions will not be made, Mr. Speaker; because the only thing that they will respond to are the events of the day which will shape their policies, and that's really what has happened and that is what continues to happen. And they will try and follow, if they can, the leadership shown by other provinces in other areas, and then bring it here with a bit of a twist so that they can then say "it originated with us" and to that extent their lines of communication have been very good.

But the reality, Mr. Speaker, is that for the last four years the government, who expanded the Planning Secretariat, who expanded the Management Committee, who commissioned hundreds of reports so that they could be able and be in a position to review the economic and social direction of policy, have accomplished very little, have not dealt with the information that was furnished to them, have not even given the kind of direction for those people who should have been doing the work for them and who were prepared to, and the result is that they have frustration among their own people, and they're leaving, and they will continue to leave and they do not in any way in the positions that have been expressed so far by the First Minister indicate any concern, real concern, real knowledge or real direction for the issue. And so in dealing with an Executive Council, and dealing with the matter of Hydro, we deal with the First Minister, who, I suggest, is in a complete state of disarray with respect to the handling of government, who has not, Mr. Speaker, who has not, Mr. Speaker, demonstrated control over the management, who has not been concerned, Mr. Speaker, with the exercise of restraint that is necessary so that taxation levels could be lowered, and who has not, Mr. Speaker, dealt with the fundamental problem of this province, and who has been prepared to acknowledge that the problem is national and universal, therefore is not something that I can control.

What I suggest, Mr. Speaker, with respect to this province, while recognizing that we're not insulated from the rest of Canada or from world conditions or from that of the United States but who, I suggest, could have shown leadership that would have been not only provincial but national in scope and what I suggest, Mr. Speaker, is that it really reflects, you know, the barren content of a policy determinations which now are reflected in the almost do-nothing session that we've had and the lack of leadership on the crucial issues of the day. And the honourable members opposite are satisfied that they're accomplishing a great deal. Mr. Speaker, the social problems in this province are not being dealt with. --(Interjection)-- Well the Minister of Autopac can be, you know, very happy; he took \$10 million more from the people of Manitoba this year, he's going to take another \$10 million for next year, he's going to have a Crown corporation that's going to be able to tax the people every year and he has nobody to answer to. He can't even be stopped here because, you know, his power is beyond this Legislature.

So, Mr. Speaker, you know, the only way he can be changed or stopped is if there's a change in government so he can stand all you know, all good and well, and he can rationalize his position. The fact is, Mr. Speaker, that the problems of the people are not being dealt with. And what we have had and what we have clearly demonstrated is a kind of - and to their credit - a kind of political decision-making which has been significant and has given the government a fair amount of recognition but which as I suggest in the case of Hydro has come down to a point where people now realize and where people now are at the point where, in dealing with the basic ability for them to make ends meet, that they now recognize that this is a government that really isn't concerned or isn't capable of handling or softening the blow for them. If inflation will be 10 percent this year, 10 percent next year, 10 percent the year after and combined will be about 40 percent for the next three years, when the next election comes, Mr. Speaker, does anyone believe that the productivity of this province will rise by 40 percent? Does anyone believe that, you know, that we are going to have the ability, have the ability to be able to manage our affairs in this province with that kind of increase without someone suffering? And, Mr. Speaker, I suggest and I suggest to the honourable members opposite that they have not planned, they have not prepared, they have not given the direction to deal with this problem and, Mr. Speaker, in a matter of a few years the people in this province who have been running as hard as they can to keep in one place and not fall behind, will be so far behind with respect to their



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(MR. SPIVAK cont'd) . . . . financial position and ability to be able to carry on as the small businessman and a professional man, to be able to be employed at a salary range as either a white collar worker or as a labourer or as a skilled tradesman because it will be impossible, Mr. Speaker, for the economy itself to be able to support the kind of position that's necessary, and that they will face at the next general election.

And, Mr. Speaker, the problem and the tragedy of it all is that it can to a certain extent be avoided if there was a proper planning. And, Mr. Speaker, what the First Minister has to do - and this is a very difficult task - is just as he took Health and Social Development and once in his life made a decision and basically put someone in charge who, at least after this session is finished, can start to try and put this thing back into place and put it back on the tracks as it should have been four years ago, he has to take the economic matters of this province, including the Minister of Industry and Commerce, and replace him in a way with someone or himself and give direction so that the kind of effort that has to be forthcoming to deal with that cost of living and inflation, can be undertaken. If he does not, we will suffer as those who are involved in the health and social development field are suffering and continue to suffer until the changes that will be brought about. And, Mr. Speaker, I acknowledge, I believe that the Minister of Health and Social Development will bring about many of those changes. I know that he's done some work already but it's impossible for him to accomplish what he has to. But that should have been done three, four years ago and we face the same problem now with respect to the economy, to the problem of inflation.

And so, Mr. Speaker, I do not speak very highly of the leadership of the First Minister. I recognize his political position and I recognize his political ability and I'm not one who is going to stand away from that because I think you have to acknowledge him as the Honourable Member for Lakeside did yesterday. But no one is going to convince me that at this moment in our history he is giving the leadership with respect to the economic matters and the problem of inflation. If anything he has abrogated his responsibility, he has been surrounded by people who have not furnished him with the information and in turn - and the data - and further, Mr. Speaker, he has not given the leadership. He has allowed events to try and shape his course of action and he continues to do that. He's been very fortunate that he's profited by inflation and money has come in because the people of Manitoba have been paying their taxes but the fact is, Mr. Speaker, that the people of Manitoba, month by month and year by year, are going to be behind and to a large extent, Mr. Speaker, their problem, their problems in the future, Mr. Speaker, will be directly related to his inability and the inability of his planning secretariat to show the leadership.

Mr. Speaker, fire insurance is not the social issue of the day, you know, it really isn't, Mr. Speaker. The cost of living and the price of food is the issue of the day. The cost of living reduction plans to give back \$15 million of tax money next year, next April, doesn't solve the increased cost month by month of goods or the tax dollars that have to be paid by people who have to pay their municipal taxes, that have their taxes deducted at source, that have the problem of coping day by day, Mr. Speaker. Well, Mr. Speaker, you know, how would we do it? First of all, Mr. Speaker, we would cut government spending and we would then give back to the people some of the money that they have, directly now. --(Interjection)-- Oh, well, you know, the honourable members laugh, you know, Mr. Speaker, but the fact is that if taxes were reduced, Mr. Speaker, yes if they were reduced, Mr. Speaker, let me tell you every one who has taxes deducted at source would have more money in their hands. You know, I listen to the Member for Radisson and I have to talk to him when he says this. I have to look at the taxes that are being collected and the benefits that are really being received by the taxpayers and a benefit to be received a year from today on a cost of living reduction plan doesn't help anybody deal with the cost of living today. And if the honourable members think that their logic is such that that's such a wonderful plan and what they're doing is combating and dealing with inflation and that they know what it's all about, they really aren't interested, they obviously don't care. --(Interjection)-- Yes, they consider that what they're doing is a very good political gimmick and they take it on the basis that we're talking about ability to pay but, Mr. Speaker, I have to look at the whole government spending and say, where are the benefits received? I have to determine whether, Mr. Speaker, a 820 or 830 million dollar budget is justified by this government at this point. I have to look at the various departments and say, you know, the money that's being spent, the money that's being wasted--(Interjection)--

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(MR. SPIVAK cont'd) . . . . Yes, yes, is that justified, Mr. Speaker? --(Interjection)-- I want to tell you, to the Honourable Minister of Co-operative Development and the Minister of Mines and Natural Resources will support me that the degree of progressiveness in the re-distribution that is being provided by the government is almost minimal. And the Honourable Member from Crescentwood who, you know, had the honesty to continue to say this and he did from his seat or when he stood up on his seat in this House, the former Member of Crescentwood, kept saying that what you are attempting to do has very little, minimal effect.

Does anyone believe, does anyone believe, Mr. Speaker, that the increased real estate taxes that are occurring now with respect to commercial places in Winnipeg or throughout Manitoba, are not going to be passed on to the consumer? Does anyone believe, as an example, that the mining tax that's going to be undertaken isn't going to be passed on to the consumer? Does anyone believe that the commercial places who are going to have to pay higher auto insurance tax are not going to be passed on to the consumer? Who are we kidding? Everything that you're doing, you know, everything that you're doing is going to be passed on. The increased hydro rates. Mr. Speaker, Cass-Beggs has basically, in the period of six years, caused a doubling of our hydro rates and in the increase Mr. Speaker, of the commercial rates. Does anyone not believe, Mr. Speaker, that that's going to be passed on to consumers? So when they talk to me of the capacity and the ability, the government have that capacity and ability but they didn't want to do it, Mr. Speaker. They don't have the energy for it. They also obviously are not prepared to spend their time. The amount of energy that has been spent, Mr. Speaker, the amount of energy that has been spent by the honourable members in what I would consider the non-essential kind of direction that they had undertaken is I think, you know, something that I personally, Mr. Speaker, have looked at with great astonishment. Because you see, Mr. Speaker, I listened to the members opposite when they were in Opposition; you know, I knew what their direction was.

Mr. Speaker, I've been involved in politics for longer, I think, than probably the Honourable Member from -- the Honourable Minister of Agriculture. --(Interjection)-- Well I wonder, when was your first election? When was your first election? Well, Mr. Speaker, I hate to say but I've been involved now -- Mr. Speaker, I've been involved in elections now and concerned in political life for over 25 years. The first election I was involved in actively was over 25 years ago and I must tell you, Mr. Speaker, I've been one who has attended political meetings of all parties over the years, including the New Democratic Party; I'm one who has, I think, a fair understanding of the leadership and the direction that was given and the philosophy of the New Democratic or the old CCF Party. And I said, Mr. Speaker, I think, in this House, and I say again that, you know, J. S. Woodsworth and the others would really, you know, turn over in their graves to see this party present itself as a party carrying on the tradition of the old CCF. Mr. Speaker, as a party dedicated to the people, this party has not been this. This party has been dedicated, Mr. Speaker, to remaining in power and that's been the important thing. So long as you remain in power that's the most important thing.

So, Mr. Speaker, what they have done is they have not coped with the problems and over the years they have tried to give the impression, you know, of their progressiveness by dealing in phony issues. We spent, Mr. Speaker, a whole year on Autopac you know, and that was the great, great undertaking, Mr. Speaker. And, Mr. Speaker, that undertaking, with respect to Autopac, was such that it took the energy, the time of the Cabinet and the caucus and the social problems were not dealt with.

You know I've often said, Mr. Speaker, let's look at the -- they dealt with the unification of Greater Winnipeg and they dealt with the Unicity bill. That was a great social experiment but the fact is, Mr. Speaker, have they dealt with the problems of the people? Have they dealt with the problems of urban renewal with respect to the City of Winnipeg? Have they improved the quality of human condition of the people involved? No, Mr. Speaker. --(Interjection)-- Ah, Mr. Speaker, you know, that's a bunch of hogwash on the part of the Member for Radisson. You know, Mr. Speaker, we live in a condition in which inflation has given an impression to a lot of people, an impression to a lot of people that conditions are improving. Now, Mr. Speaker, I want to tell you something. I could ask the Member for Roblin and I can tell the honourable member, the honourable members opposite tried very hard to defeat the Honourable Member for Roblin because he's one of those malicious politicians, you know, who had the audacity to talk about the Premier. Now, Mr. Speaker, I don't think that they have coped with the social

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(MR. SPIVAK cont'd) . . . . problems of the day; I don't think Mr. Speaker, that they have, you know, dealt with the problems. But then let me tell you, Mr. Speaker, let's just talk about, you know, the kind of things they've undertaken.

The honourable members opposite completed a White Paper on corrections, *The Rise of the Sparrow*, *The Rise of the Sparrow*. Penal reform is an issue, penal reform is something that a progressive government would be concerned about. Well, you know, they completed a study, tell me what's happened? Just tell me what's happened about it? Anything?

They went in and completed a study on the White Paper on health - Health White Paper. Now, Mr. Speaker, it's an extensive study. Where's the policy? They made an announcement that they were going to have 20 community clinics within a period of a year. I remember the Minister of Health said that. Where is the policy? You know, they had for a period until just now, Mr. Speaker, they had a position in which the Research Branch of the Health and Social Development Department was going one direction, the Planning Division of the Manitoba Health Services Commission was going another and in order to be able to try and confuse things even more, they decided to set up a Health and Education Committee of Cabinet, the HESP Committee and they gave that a Planning Secretariat as well and they went another direction. Where was this great leadership, Mr. Speaker, with respect to the social issues?

Now, Mr. Speaker, they have been fortunate that the equalization payments from the Federal Government have been fairly substantial and as a result they have been able to give that back by way of offering to the people the fact that the health care premiums would be eliminated because, Mr. Speaker, without that equalization payment it couldn't have been done. But the fact is, Mr. Speaker, that is not a substitute for announced policies with respect to health matters or was an attempt to try and deal with what was a particular social or particular social problems.

Mr. Speaker, we have the Kierans Report - stirred up everybody a little bit. Then they had a Task Report which was about six times as large as the Kierans Report and now they announce a policy, Mr. Speaker, which really could have been dealt with by a few people within the department who could have provided that information. And essentially they were waiting to see what B. C. and Ontario were going to do first in any case, and then they were going to be able to shape their policy and that's a fact, Mr. Speaker.

So I conclude, Mr. Speaker, by simply saying - and I believe it's 12:30 - and I'll conclude my remarks by saying to you, Sir, that in my opinion the Planning Secretariat and the Management Committee of Cabinet have not fulfilled the function because the Premier has not been prepared to deal with the problems of the day. He has been more concerned with the immediate political considerations of the moment, he has been preoccupied, Mr. Speaker, by the blunder in the Hydro and the necessity of trying to salvage that, and that's taken a lot of his time and the energy, and as a result, Mr. Speaker, as a result, Mr. Speaker, the kind of planning that should have been undertaken, the kind of direction both provincially and nationally that should have been given on the issues of cost of living and inflation have not been given and the people in Manitoba are now feeling the effects, are going to continue to feel the effects because the productive capacity of the province is not there to be able to deal and cope with the inflationary trend that exists. We are in deep trouble in this province and the honourable members opposite may not want to accept that. That will become more apparent in the months and days to come. The consumers in this province are not going to have the ability to be able to stand the kind of cost increases that their living will be affected by, has evolved to a certain extent not only, I don't want to suggest that "only" because of the government, but to a certain extent because of the government and the lack of leadership by the Premier.

MR. SPEAKER: The hour being 12:30, I am now leaving the Chair to return at 2:30 o'clock this afternoon.