

LEGISLATIVE ASSEMBLY OF MANITOBA
Tuesday, 3 February, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, I wish to table returns under The Controverted Elections Act for the period January 1, 1980 to December 31, 1980 from the Court of Appeal from the Court of Queen's Bench.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, I wish to table the Annual Report of the Land Value Appraisal Commission.

RETURN TO AN ORDERS

MR. SPEAKER: The Honourable Minister of Government Services.

MR. JORGENSEN: Mr Speaker, I should also like to table an answer for an Order for Return No. 15, with the Honourable Member for Elmwood; and an Order for Return No. 1, issued by the Member for Fort Rouge.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to introduce 9 visitors under the direction of Mr. Rob Desrochers from the Health Sciences Centre located in the constituency of the Honourable Member for Logan.

On behalf of all honourable members we welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Deputy Premier. Is the Deputy Premier now prepared to acknowledge that the state of the Manitoba economy is worse than it was during the time of the Throne Speech Debate.

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. DONALD W. CRAIK (Riel): No, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, can the Minister advise then whether or not the \$62,000 expenditure undertaken by his government pertaining to "Stay in Manitoba" program, whether that is intended to improve the Manitoba economy?

MR. CRAIK: Mr. Speaker, to attempt to answer what I think is a facetious question, it's hardly likely, Mr. Speaker, that \$62,000 is going to have a major impact on the Manitoba economy.

MR. PAWLEY: Well, Mr. Speaker, is the Deputy Premier at this stage then prepared to admit that if indeed the expenditure is intended to improve the Manitoba economy, that there is a major problem in Manitoba pertaining to the exodus from this province of so many of our citizens.

MR. CRAIK: Mr. Speaker, the member is not necessarily correct in his assertion with regard to the exodus of people from the Province of Manitoba.

MR. PAWLEY: Then, Mr. Speaker, I must pose this question to the Deputy Premier. Why then is the government of the Province of Manitoba spending so much money on an advertising program which is only geared towards the interests of the Progressive Conservative Party of Manitoba?

MR. CRAIK: Mr. Speaker, I must again question the assertion of the Leader of the Opposition with being directed towards a political party. Any advertising that is undertaken by the Province of Manitoba is assumed and deemed to be in the best interests of the province.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'd like to address the Honourable Minister of Finance and may I, with your indulgence, welcome him to his new position and tell him I hope he does well and tell him that I believe that he has a very good staff unless it has been damaged to some extent by his own government. The question I want to ask of him, Mr. Speaker, is in the anticipation that he will indeed be filing the Estimates of Expenditure for the forthcoming year. Can he inform us on the basis of no change in tax structure, what is the projected revenue for the same fiscal year?

MR. SPEAKER: The Honourable Minister of Finance.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I think that question would be more appropriately dealt with during the Budget.

MR. CHERNIACK: Mr. Speaker, in view of the fact that it is apparent that the Minister is fully aware of the projected revenue for the coming year, based on the existing tax structure, and in view of the fact that the Budget would be discussing possible changes in tax structure, then would not the Minister be prepared to give us information which must be in his

possession at a time when it is appropriate and when we are dealing and will be receiving the expected expenditures for the fiscal year so we will have some idea of what the problems are that the government is facing in that regard?

MR. RANSOM: I think, Mr. Speaker, the honourable member was correct in saying that it should be done when the time was appropriate and I don't think that this is the appropriate time.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Attorney-General. Mr. Speaker, in view of the fact that there has apparently been one of what may be a protracted series of court decisions which appears to indicate that the Federal Government by three Superior Court Judges to two Superior Court Judges saying that the Federal Government can proceed as they are proceeding, in view of that fact, Mr. Speaker, does the Attorney-General not agree that it would be dangerous in the extreme to permit future political questions affecting the social and economic life of our country to be abdicated in favour of the judiciary who on a question of this kind can split 3-2, and on questions of abortion, on questions of union security, on questions of freedom of speech, could split 5-4 and there would be no recourse to the legislative process?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, yes, I do agree.

MR. GREEN: In view of the fact that the Minister indicates that he does agree that it would be wrong in the extreme to permit the future political life and social and economic questions to be abdicated in favour of the judiciary with virtually impossible means of amending it in the legislative process, both federal and provincial, does not the Minister agree that rather than Manitoba processing this matter through the courts who are having difficulty determining what is legal . . .

MR. SPEAKER: Order, order please. I find the honourable member is debating rather than seeking information.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, if you had waited a few seconds more you would have heard the end of the question. Now I am going to have to deal with it as quickly as I can. Does not the Minister agree that rather than trying to determine what is legal we should be trying to determine what is right and that we should be impressing upon the Government of Britain that they would not be interfering in Canadian affairs, rather they would be avoiding interference, if they would send the Constitution back to Canada without passing laws for the citizens of this country at the insistence of Mr. Trudeau, which would then not be unpassed by a future parliamentary majority.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Yes, Mr. Speaker, and in justifying that position I point out to you, Sir, and to the

Honourable Member for Inkster and others, some aspects of the judgment which has just been released by our Manitoba Court of Appeal in which there are strong dissenting judgments from two of the learned judges of that court one of whom, Mr. Justice Huband, said on Page 7 of his judgment the suggestion that the Government of Canada can do indirectly what it cannot do directly is abhorrent. Mr. Speaker, a member has asked for a copy. I've just received one copy and I certainly would make a number of copies available to him and to other interested members, Mr. Speaker.

There are some extremely strong statements in addition in the judgment of Mr. Justice O. Sullivan.

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

MR. GREEN: Mr. Speaker, in view of the question that I've raised which I tell honourable members I believe was supported by a majority of New Democrats over the past three years that in view of that fact, Mr. Speaker, I'm not talking about the present position, but supported by a majority of New Democrats when I was a member of that party and, Mr. Speaker, the Member for St. Johns obviously doesn't like the question and is imposing, Mr. Speaker, restrictions on me which his preamble, if you will read in Hansard, was much longer. Mr. Speaker, my question is, does not the Attorney-General feel that much greater service would be served if a parliamentary committee composed of members of all political parties who are opposed to permitting Mr. Trudeau to legislate for all time in view of the fact that he is leaving politics, should go to Great Britain and impress upon the Government of Britain that they would not be interfering if they send the constitution back to Canada without passing laws which later can't be changed by Canadians?

MR. MERCIER: Well, Mr. Speaker, that may in fact become necessary at a future time but I think the very fact, Mr. Speaker, that during our committee of this Legislature, which have held hearings on the constitution, we have had such notable representatives and former members of the House, such as former Premier D. L. Campbell come forward and say very explicitly that the Federal Government should not, and have never in the past, attempted to amend the constitution without the consent of the provinces. The fact, Mr. Speaker, that the Prime Minister of this country overlooks, is that the constitution of this country has been amended by unanimous agreement of all governments and I'm hopeful that this matter can be resolved in this country where it should be resolved and that the Prime Minister of this country will see the light. The strong descending judgment which we see in this most recent decision issued today I think is a further justification of the position that has been taken in this province.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Economic Development concerning the \$62,000 campaign that

is being undertaken by his department. I would like to ask him the basis upon which a decision was made to carry out such a campaign. Was it a survey carried out by a government agency about the need to promote Manitoba or was it based on a political poll which showed the need to promote the sagging fortunes of the Progressive Conservative Party?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, the program is part of a very large program which I outlined at a press conference and the part of the program the member refers to is there to let people of Manitoba know, and let people everywhere in Canada know, and one of the best carriers of a message are the people of Manitoba, that Manitoba is a good place to live, a good place to work and a good place to invest without the economy of the Province of Manitoba. I can say to you, Sir, that I am very surprised at the question because I would like to know anybody in this House who disagrees with what those ads are saying.

MR. DOERN: Mr. Speaker, I would like to ask the Minister how much of that program is being spent outside of Manitoba and how much is being spent inside because the ads are clearly being shown inside. I assume that what the Minister could better have spent his money on was developing packages that the 16,000 Manitobans could take with them to promote Manitoba wherever they may go.

MR. JOHNSTON: Mr. Speaker, as I said, the program is a part of a large program and I detailed this to the press when I had the press conference. The Energy Reserve Program is in the Globe and Mail, the Financial Post, Canadian Business Enroute, Executive Wall Street Journal, Fortune Sight Selection Handbooks. That part of the program is \$60,000, Mr. Speaker, which is cost-shared with the Federal Government, Sir, the Federal Government believes in our program. Mr. Speaker, the "Manitoba Made" campaign is one that has been ongoing and that is support for Manitoba manufacturers and that program on "Manitoba Made", there will be issues in the micros, Canadian Electronics and Engineering, Implement and Tractor, Manitoba and Saskatchewan Business, Aviation Week, Canadian Grocers, Business Life in Western Canada, Style, Skywork, Globe and Mail Report and Business. That particular program is \$67,000, Mr. Speaker, and that is also cost-shared by the Federal Government. The one that the member keeps referring to, which is again to say that Manitoba is a good place to live, work and invest in, is the program that he refers to and I can assure you, Mr. Speaker, I ask the question again, who in this House disagrees with those statements?

MR. SPEAKER: The Honourable Member For Elmwood with a final supplementary. Order, order please. I realize that all members have been away from this Chamber for some time and everyone is eager to take part in discussion but we can only have one speaker at a time.

The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to ask the Minister about the \$35,000 production costs. Could

he indicate whether those are open-ended or fixed figures and could he indicate whether this program that has been accepted was developed in terms of concept by a government department or agency or was it in response to the successful agencies' proposal to the Minister? What I'm really asking, Mr. Speaker, is whether the Minister responded to a proposal from the outside by one agency or whether he developed something and then put it out and asked for a series of submissions by a number of agencies?

MR. JOHNSTON: The Department of Economic Development uses an agency, Mr. Speaker, and the agency made their presentation to the "Handle the Manitobans" campaign and the other campaigns which I suggested and they were asked to make presentation on what would be a way to let people know that Manitoba is a good place to live, a good place to invest for the economic future of the people of Manitoba. They were all done, Mr. Speaker, the costs he speaks of at \$7,000 a unit or a shot you might say is very reasonable, we're told by people we don't know how they did them for that low a price; and secondly, Mr. Speaker, the programs have been on — I could supply a list of which I did to the media of the people that are shown on the program, anybody wants to call them up and talk to them they're quite willing to, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is to the Honourable Minister of Community Services.

On January 29 the Minister finally agreed to investigate the alleged misuse of funds by the Manitoba Indian Brotherhood after some prodding from my leader. Could the Minister now tell us if this promised investigation has actually commenced and who will be in charge of the investigation?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Mr. Speaker, I indicated to the reporter at that time that we would withhold the grant, this coming year's grant, to the Four Nations Confederacy. I also said, Mr. Speaker, at that time to the reporter, that it was unfortunate that the Leader of the Liberal Party of Manitoba was playing crass, dishonest and dangerous politics by the statements that he was making, because I indicated very clearly that up until the statement that the Leader of the Liberal Party had made that nothing to the contrary had occurred, yet the Leader of the Liberal Party was prepared to try and deflect all of the blame, if there is any blame of misuse of Federal Government funds, on to the Provincial Government.

The grant that we give to the Four Nations Confederacy is a gratuitous grant, no strings attached. They provided audited statements, Mr. Speaker, that indicated that the money was used for what it was intended for, yet the Leader of the Liberal Party is prepared to use the Provincial Government to try and protect the Federal Government. On that basis, if their responsibility is

looking after the natives of Manitoba and we have given a gratuitous grant, if they want to play politics that way, then we will withhold that grant until we are satisfied that everything is in order.

MR. SPEAKER: The Honourable Member for Fort Rouge.

Order please, order please. We have some problem with the sound system in this Chamber and it does not make it easier to hear if everybody tries to speak at one time.

The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Speaker, I repeat my question and would ask if the Minister would confirm that an investigation is being undertaken and would he please clarify? He made two statements in his reply, one was that the provincial grant had no strings attached and the other was that it was spent in the way that it was intended to be spent and those two are in conflict. Would the Minister please tell us which of those statements is the correct one and whether in fact he is having an investigation conducted as to the expenditure of provincial funds, Mr. Speaker?

MR. MINAKER: Mr. Speaker, firstly, before the Provincial Government provides a grant to an association that receives a one-time annual grant, we make sure that we have the audited statement for the previous year before we provide that money and it's a normal procedure that the former Government of Manitoba used as well. We received that statement. It very clearly indicates that they received \$130,000 from the Province of Manitoba towards the operations of their office. I might point out in that same audited statement, Mr. Speaker, that the rent for the office was over \$100,000, the telegrams and the phone calls and miscellaneous expenses for the office exceeded \$40,000, so we know that the moneys were expended for that area.

With regard to the other question, with regard to requests for an investigation, we have asked the Federal Government that when their audit is received they would send a copy to our Provincial Auditor so that he could look at that particular audit and also we have asked and indicated to the Four Nations Confederacy that they send us a copy as well, which they have agreed to.

I might say, Mr. Speaker, why I said the Leader of the Liberal Party of the province is playing dangerous politics is that the Four Nations Confederacy has taken on the responsibility of accepting those debts that the MIB had. They are trying to do a job in this province, and I might say, a very good job in negotiating on the tripartite committee for the Indian Child Welfare. That's why I'm saying it's unfortunate that we would hate to see those particular hearings end for the interests of the children in our province because of some crass political statement that the Leader of the Liberal Party of the Province of Manitoba would make for political gains.

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

MRS. WESTBURY: Mr. Speaker, I think we all hope that the Four Nations Confederacy will have success

in its endeavours. Does the Minister then imply that no investigation should follow of the expenditures by the MIB who preceded the Four Nations Confederacy and has he now made himself familiar with the additional \$45,000-grant that the Brotherhood received from the Provincial Finance Department in 1979, which apparently had strings attached? Has he satisfied himself that this money was used in the manner in which it was intended which was the delivery of government services to Indian people?

MR. MINAKER: I would think that the Federal Government of Canada, Mr. Speaker, when they received the audited statement, of which \$130,000 of grants out of some 3 million-plus would recognize and send us a copy, that we would not have to duplicate those costs on the people of Manitoba to do work that the Federal Government has requested.

I might say, Mr. Speaker, with regard to the tripartite grant that meetings have been held this year with regard to the development of child welfare for Indian children in our province. If the Honourable Member for Fort Rouge would like to raise that question with the Minister of Finance, I'm sure that he would provide some answer for her. I might say, Mr. Speaker, that it will not take us too long to recognize if the new Four Nations Confederacy, who operates this particular service for the natives of Manitoba, are operating properly that they will get their grant that they deserve.

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

MR. SAMUEL USKIW: Yes, Mr. Speaker, I would like to ask the Minister of Economic Development to explain to the House why in the 1960s and in the 1970s there was no need to advertise in favour of Manitoba — there was no need to convince Manitobans through a publicity campaign paid for by the Province of Manitoba, that Manitobans should stay in Manitoba, work in Manitoba and invest in Manitoba — I would like to ask him what has changed since the Sixties and the Seventies where we find now that we have to convince Manitobans through an advertising campaign that there are indeed opportunities here, only they haven't been able to notice them, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: It's quite right, I could mention the yum-yum campaign that went on. I'm sure that we — (Interjection)— well, now the Opposition is chattering from their benches about campaigns that went on, Mr. Speaker, and when the member asked the question, he said there were no campaigns went on. Obviously, his question is inaccurate.

I repeat again, Mr. Speaker, the ads are there to let Manitobans help us, all Manitobans know it's a good place to live. Help us, as I said, and I'd say it again, and all Manitobans I repeated, that it is a good place to live, a good place to work, a good place to invest where there is a good economy. Mr. Speaker, I repeat again, I would like somebody in this House to stand up and tell me the ads are not true.

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

MR. USKIW: Mr. Speaker, I would like to ask the Deputy Premier, and if not the Deputy Premier the Minister of Economic Development, whether or not either one of them can confirm that CFI has either been sold or in the process of being sold?

MR. SPEAKER: The Honourable Minister of Energy.

MR. CRAIK: Mr. Speaker, ManFor, that the member refers to has not been sold. This question has been raised before in the House during the early sitting of it and the answer still remains the same. With regard to whether it's in the process of being sold I can indicate to the member that we have had under study for some time, it goes back over a year, first of all the examination of the requirements of that part of our forest industry, an examination to try and determine the best opportunities for it, we've gone through that stage and we are looking at opportunities of securing its financial future as well as hopefully expanding its operation and we haven't eliminated any possibilities in looking at that.

MR. USKIW: Yes. Would the Deputy Premier, Mr. Speaker, confirm that the Province of Manitoba wishes to divest itself entirely of any interest in ManFor, Mr. Speaker.

MR. CRAIK: Mr. Speaker, our prime goal is to secure the operations and put it on a sounder footing than on which it is now based and if that involves divestiture, it'll involve divestiture. We haven't ruled out any possibilities with regard to the type of ownership that would best bring about that end.

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

MR. USKIW: Yes, Mr. Speaker. I wish to ask the Deputy Premier whether or not the government is considering the idea or possibility of financing an outside person or corporation in the acquisition of that asset?

MR. CRAIK: Mr. Speaker, it's not possible to give any further indication to the member at this time. I can say that we believe that there is a solid future for the operation. We think that it's going to take a sizable amount of capital to achieve that but that it can be put on a very viable footing. The industry is operating under more difficulties than it operated before because of the changes in the GATT agreement negotiations that they brought about with regard to unbleached craft and it puts an additional burden on the operation which was having difficulty before from an operating statement point of view. We think that can be improved and that we can bring about greater employment, greater opportunity in that area.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister responsible for the Northern Air Ambulance Service and I'd ask the Minister if he can indicate what action his government or his department is taking in regard to

the difficulties that are currently being experienced because of the loss of the MU-2 for medical evacuations in Northern Manitoba, and specifically in regard to any potentially serious problems that may arise out of the result of the loss of that aircraft for medical evacuation.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. DON. ORCHARD (Pembina): Well, Mr. Speaker, since the loss of the MU-2 the department has been instructed to find a suitable replacement for the MU-2 for the purpose of medical evacuation. In the interim time we have the Aztecs on standby and are providing the service of medical evacuation.

MR. COWAN: Yes, I'd ask the Minister then if he can indicate where the Aztecs are based currently on that standby basis?

MR. ORCHARD: I believe one is in Thompson and one is in Winnipeg, Mr. Speaker.

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

MR. COWAN: Well, I'd only encourage the Minister then to take the one in Winnipeg and base it in another northern centre, The Pas, because, as the Member for The Pas states, of the time difference that it takes an Aztec to travel to and from Northern Manitoba in comparison to the MU-2. And as problems of the ambulance services are not confined to the use of one plane I'd ask the Minister . . .

MR. SPEAKER: Order please, order please. Has the honourable member a further question? The Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Speaker. I would ask the Minister if his department is prepared to commit itself to the establishment and location of a medical evacuation service, on a comprehensive basis, in Northern Manitoba and that would include medical personnel who are trained in that type of evacuation as well as an aircraft that is suitable, eminently suitable to the evacuation of patients from Northern Manitoba?

MR. ORCHARD: Well, Mr. Speaker, the member raises some very interesting questions, and I might refer him to the most recent study of the Manitoba medical services available, by Justice Emmett Hall, which indicated that we had one of the best systems in Canada.

Now, Mr. Speaker, in the specific question of location of planes, the choice of planes, etc., etc. I would like to point out to the Member for Churchill that the MU-2 or a craft of its air capability can make it from Winnipeg to Thompson often before the patient can make it to the airport, so that the time lack is not a problem as the Member for Churchill would have us believe with an aircraft like the MU-2 or one of similar capability. Now, Mr. Speaker, in the interim period — and I remind members of the House that the MU-2 crashed on the 13th of January, hopefully we will have a replacement aircraft of similar or increased capability for med evacuation

in a very short time — in the interim time I point out that medical evacuation is currently being undertaken by the Aztecs. The suggestion to locate one of the Aztecs currently in Winnipeg in The Pas, for instance, negates the medical necessity of evacuation from all of those Native communities on the east side of Lake Winnipeg. And I would suggest to the Member for Churchill, although that is not his constituency, it is part of mine as the Minister responsible for all people in Manitoba, and we have found that the Aztecs out of Winnipeg serves all eventualities as good as can possibly be done due to the circumstances of the loss of the MU-2.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I have a question for the Honourable, the Attorney-General. Due to the many concerns that are raised in towns, villages, and municipalities in the province about policing costs, I wonder if the Attorney-General can advise the House if final arrangements have been made with the Government of Canada for the police contracts in our province.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: No, Mr. Speaker, they have not. The Attorneys-General from the eight contracting provinces met a few weeks ago to review the position taken by the Federal Solicitor General of Canada. We rejected his outrageous proposal. We have sent to him an indication, Mr. Speaker, that in view of the previous Solicitor General's statements that the existing percentages agrees with the benefits to the Federal Government and to the Provincial Governments concerned and, inasmuch as the Federal Government has not offered any evidence of changing benefits to the parties, we are suggesting to him that a new contract be entered into on the basis of the existing percentages, 56 percent provincial, 44 percent federal, a percentage which I point out that has increased for the provinces by approximately 1 percent per year for the last 16 years.

MR. MCKENZIE: Well, Mr. Speaker, I thank the Attorney-General. I wonder if the Attorney-General could advise me of anything further that the municipalities and the towns and the villages could be doing in this dispute or this debate to try and speed up the process of finalizing the police contract.

MR. MERCIER: Mr. Speaker, I thank the member for asking that additional question because I didn't point out the fact that the Federal Government proposes to increase the municipality's share, particularly the municipalities over 5,000 population, to 90 percent. The municipalities in Manitoba — and I've attempted to keep all of them up-to-date with respect to the negotiations — as probably can be expected, reacted adversely to the Federal Government proposal. I'm anticipating, Mr. Speaker, a meeting perhaps with the Solicitor General within the next two or three weeks with the other contracting provinces to review with him his proposal and to attempt to negotiate with him something that

is fair and equitable for the provinces and the municipalities.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I'd like to address a question to the Minister of Economic Development. Inasmuch as Eaton's has laid off people last year and again as late as last month, will the Minister of Economic Development acknowledge that these employment cutbacks at Eaton's, a major retail establishment in Manitoba, whether these cutbacks are indeed a reflection of the stagnation of Manitoba's economy and particularly the retail sector?

MR. SPEAKER: Order, order please. Order please. May I point out to the honourable member that the time allotted for question period is time that should be used for seeking information, rather than debating a various issue, and therefore, I would think that the honourable member could better utilize his time. If he wishes to seek information he should ask questions that seek information.

The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, on that point, the Minister was just indicating a few minutes ago that we had no economic problems in this province and that there was no economic stagnation. I think, Mr. Speaker, that this is a clear example that we do have problems in this province. I'd like to ask then of the Minister, a former regional merchandising manager at Eaton's indicated that the reorganization and shifting of personnel from Winnipeg to Toronto will mean further layoffs and I believe, in particular, in the advertising department, has the Minister been advised or has his department been advised by the owners or management of Eaton's whether there will indeed be a further reduction in this area of the Eaton's operation?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I didn't suggest at any time when I've been on my feet in this question period that we don't have some problems in Manitoba. This government is very aware of the problems in the construction industry of our province. (Interjection)— Yes, Mr. Speaker, I haven't heard the word stagnation used by anybody except the Opposition and that's their opinion of this province which is very clear. But, Mr. Speaker, I did have an occasion to speak to the Regional Director of Eaton's and I don't have any indication from him what their particular plans are other than they have amalgamated the Manitoba division with the Ontario division and that they are structuring their operation according to what they feel is best. As far as the advertising is concerned, I assume what the reports say in the paper is that they are going to be doing a lot of it in another area of the division they have been creating. He also said to me that the creation of the new division would mean more purchasing by that company in the Province of Manitoba.

MR. SPEAKER: Order please. The time for question period having expired, proceed with Orders of the Day.

The Honourable Leader of the Opposition.

MATTER OF URGENCY

MR. PAWLEY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Brandon East, move under Rule 27 that the ordinary business of the House be set aside to discuss the urgent public matter of the worst recorded performance by the Manitoba Economy in 1980, the need for new government policies to deal with this unprecedented and only recently confirmed economic decline.

MOTION presented.

MR. SPEAKER: Under Rule 27 that the Honourable Leader of the Opposition has five minutes to explain the urgency.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, during the Throne Speech Debate in December, the government indicated that the state of the Manitoba economy was healthy. Only earlier this afternoon we heard a comment from the Minister of Economic Development inferring that there was no problem within the Manitoba economy. Mr. Speaker, there is urgency. There is urgency because we now have confirmation that 1980 had record economic decline, information that this province has recorded the greatest reduction in housing construction since records were commenced. Mr. Speaker, in addition, record bankruptcies.

Mr. Speaker, the urgency of immediate debate in this regard is due to the fact that we cannot possibly come to grips with the economic conditions in this province by a simple review of government departmental Estimates; there is no way that will suffice. Mr. Speaker, the need and the urgency is demonstrated by the fact that in the . . .

MR. SPEAKER: Order please, the Honourable . . .

HON. HARRY J. ENNS (Lakeside): On a point of order, Mr. Speaker. On a point of order, at the request of the Opposition, the Department of Economic Development's Estimates are first up as of this afternoon. If there is some that should be . . .

MR. SPEAKER: Order please, order please. The Honourable Minister did not have a point of order.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, the urgency is demonstrated by the fact that during the past two weeks the First Minister of this province, rather than contending with the economic problems in this province has been spending the past two weeks in Europe and in Westminster dealing with the Constitutional issue. Mr. Speaker, it is further demonstrated by the lack of understanding of basic economic statistics by the Deputy Premier of this province, that was so well demonstrated last evening on a television interview. And, Mr. Speaker, in addition, the Finance Minister's description of unhappiness, unhappiness, about the loss of 1,500 jobs, as an unfortunate side effect.

Mr. Speaker, there is an obvious disregard and neglect by this government of the most critical

problem that is confronting Manitoba at the present time, the state of the Manitoba economy. Debate is urgent; it is necessary; it is needed right now, Mr. Speaker, pertaining to the state of the Manitoba economy. To simply suggest that we can deal with this matter during a review of departmental estimates, whether it be Economic Development or Finance is off mark, Mr. Speaker. We are dealing with the urgent situation of the state of the Manitoba economy, the determination of Estimates, whether it be singly or by a group of departmental estimates is not adequate. Mr. Speaker, the urgency, the need is there and I urge you to rule positively on the motion before you.

MR. SPEAKER: Order please, order please. According to our rules a spokesman for the other side of the House has five minutes to explain their position.

The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, the issue is whether or not the motion is in order and of urgent importance. Mr. Speaker, under Rule 27(5)(d), a motion shall not anticipate a matter that has previously been appointed for consideration by the House. I want to advise you, Mr. Speaker, that the order for Estimates, as usual, outside the House is dictated by the demands of the Opposition. In speaking today to the Opposition House Leader, he advised me that the first set of estimates they wished to deal with outside of the House is Economic Development, obviously, which is the subject of the motion before us, Mr. Speaker. I indicated to the Opposition House Leader that I thought it would be appropriate that they would like time to consider the Estimates overnight and at the end of the day's proceedings and introduction of the Estimates, I would be prepared to move that the House adjourn. Mr. Speaker, I am prepared and I offer to the Opposition if they wish, after the introduction of the Estimates, we are prepared to proceed immediately with consideration of the Estimates of Economic Development. I point out to you also Citation 287 on Page 92 of Beauchesne which states "an urgency within this rule does not apply to the matter itself but means urgency of debate when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately". Mr. Speaker, I suggest to you that while the subject matter is important the urgency was three years ago when 49 percent of the population of Manitoba voted in a new government in this province in view of their job creation performance which created 12,000 jobs in the last three years of their government, while this government has created some 30,000 jobs over the first three years, Mr. Speaker. I point out to you the newspaper reports with regard to the construction of the new Bank of Montreal building in the city as evidence, Mr. Speaker, of the improving Manitoba economy.

MR. SPEAKER: Order, order please.

The Honourable Member for St. Johns on a matter of privilege.

MR. CHERNIACK: Mr. Speaker, aside from the fact that the Honourable House Leader is now debating

the motion and not the question of urgency, I rise mainly on, I believe, that he has misled you and the House when he has indicated that it is on the business of the House to deal with the Estimates. And whether it's by ineptness or by rules which may prevent his dealing with it, the fact is the Order Paper reveals nothing whatsoever other than Bill No. 2, An Act to amend The Legislative Assembly Act

MR. SPEAKER: Order please, order please. I find the honourable member's point of privilege is one that I don't consider to be a point of privilege, it's more a matter of debate than a point of privilege and I would have to rule the honourable member out of order.

The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I want to say to you, Sir, that when I advised the House that the Opposition House Leader has advised me of their preference to proceed firstly with the Department of Economic Development, that I would expect the Member for St. Johns would accept that. If they don't, I suppose it's nothing new because it would appear that a lot of members of their caucus do not accept the positions taken by the leaders of their party, Mr. Speaker. With respect to the urgency, I point out to you the Conference Board Report which reports that the Manitoba economy, while down, only two provinces are up, and it's higher than all the provinces to the east of us. So I suggest to you, Mr. Speaker, that the motion is not in order and is not of urgent public importance and can be discussed immediately if members of the Opposition wish after introduction of the Estimates this afternoon.

SPEAKER'S RULING

MR. SPEAKER: Order please, order please. The matter of urgent public importance has been raised by the Honourable Leader of the Opposition. Under Section 27, Rule 27(3), after an explanation has been made under Sub-rule 2, "the Speaker shall rule on whether or not the motion under Sub-rule 1 is in order and of urgent public importance". Taking the matters in that sequence, my first concern is to find out whether or not the matter is in order and having read Rule 27(5)(b), not more than one matter may be discussed on the same motion. I have read the motion of the Honourable Leader of the Opposition that the ordinary business of the House be set aside to discuss the urgent matter of the worst recorded performance by the Manitoba's economy in 1980 and the need for new government policies to deal with this unprecedented and only recently confirmed economic decline.

I have also perused many rulings of previous Speakers which have been fairly consistent in this matter and I would have to rule the motion out of order.

The Honourable Member for Kildonan.

MR. PETER FOX: Yes, Mr. Speaker, respectfully I must challenge your ruling.

MR. SPEAKER: The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? Those opposed, please say nay. In my opinion, the yeas have it.

MR. FOX: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The question before the House is, shall the ruling of the Chair be sustained?

A STANDING VOTE WAS TAKEN the result being as follows:

YEAS

Messrs. Anderson, Banman, Blake, Brown, Cosens, Craik, Domino, Downey, Driedger, Einarson, Enns, Ferguson, Filmon, Galbraith, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, MacMaster, McGill, McGregor, McKenzie, Mercier, Minaker, Orchard, Mrs. Price, Messrs. Ransom, Sherman, Steen.

NAYS

Messrs. Adam, Barrow, Bostrom, Cherniack, Corrin, Cowan, Desjardins, Doern, Evans, Fox, Hanuschak, McBryde, Malinowski, Miller, Parsiuk, Pawley, Schroeder, Uruski, Uskiw, Walding, Mrs. Westbury.

MR. CLERK: Yeas 30, Nays 21.

MR. SPEAKER: I declare the motion carried. The Honourable Government House Leader.

The Honourable Member for Fort Rouge on a point of order.

MRS. WESTBURY: A point of privilege, Mr. Speaker.

MR. SPEAKER: A point of privilege.

MRS. WESTBURY: Mr. Speaker, my point of privilege is that I have been endeavouring to obtain from the office of the House Leader for several days the order of discussion of the Estimates and either I have been misled as late as this morning or the House has been misled, because this morning I was advised by his office that we would be discussing under Estimates, Agriculture on the one hand and Labour and Manpower on the other. Therefore, Mr. Speaker, if unanimous consent is required to go into Estimates this afternoon I withhold my consent since I have not been apprised of the order of consideration.

MR. SPEAKER: Order, order please. I find the point of privilege raised by the honourable member not to be a point of privilege at all because I, like the honourable member, have not been apprised of the order nor has any other member of this Chamber to my knowledge, so the point of privilege is really not a point of privilege at all.

The Honourable Government House Leader.

MR. MERCIER: Well, Mr. Speaker, I was rising, Sir, to advise the House of the order of Estimates that has been agreed upon to date. In the House, Mr. Speaker, the order will be as follows: Agriculture; Highways and Transportation; Fitness, Recreation and Sport; Co-operative Development Government Services; Cultural Affairs and Historical Resources; Consumer and Corporate Affairs and Environment; Finance; Energy and Mines; Municipal

Affairs; Northern Affairs; Attorney-General and Urban Affairs.

Outside the House, Mr. Speaker, I just recently received from the Opposition House Leader an indication from him, and I don't fault him, he had to process that matter through his caucus, but I just was very recently advised that the first department that they wish to deal with is Economic Development and Tourism. I hope that he is able to advise me so that I can advise the House of the balance of the order of the Estimates in due course.

Mr. Speaker, I point out I was absent from my office Friday and Monday and if the Member for Fort Rouge was misled by a suggestion that Labour and Manpower was first that's because it was on a suggested order that the opposition requested a different department to proceed and my office apparently was not aware of that decision at the time that information was mistakenly conveyed to the Member for Fort Rouge.

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSOM: Mr. Speaker, I have a message from His Honour, the Lieutenant-Governor.

MR. SPEAKER: The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba, Estimates of sums required for the service of the province for the fiscal year ending the 31st day of March 1982 and recommends these Estimates to the Legislative Assembly.

The Honourable Minister of Finance

MR. RANSOM: Mr. Speaker, it has become customary for the Minister of Finance to make an introductory statement when tabling the Estimates, that I would seek permission of the House to do so and to have the Estimate Books distributed as I begin my statement. (Agreed).

The Main Estimates for the fiscal year beginning April 1, 1981 total \$2,377,522,300, an increase of \$303.9 million or 14.66 percent over the total that's already voted for 1980-81 at our last session including both the Main and Supplementary Estimates. With nearly two months still remaining until the end of the 1980-81 fiscal year and with nearly three months to go before the books are closed, it appears that the increase between the actual year-end figure for 1980-81 and the Estimates for '81-'82 will be reasonably close to the print-over print figures in terms of both total dollars and percentage growth. This will occur as a consequence of lapsing of certain other authority which is not required in the current year.

The Estimates before you have been prepared with careful attention to several key factors, especially demographic trends, long-term requirements and the ability of Manitobans to bear the cost of government. The level of funding being requested is, in lights of these considerations, what our government believes is both necessary and prudent to achieve selective expansions of services for the purpose of meeting identified needs; reserve the quality of our institutions; to relieve inequitable burdens on property taxpayers; to improve the management of our natural resources; to encourage economic development and, in total, to ensure the continuation

of the high standard of living and a quality of life enjoyed by Manitobans.

Our proposed expenditures for 1981-82 will be made upon a program base which has, through consolidation, restructuring and prudent management over the past three years, been made substantially more efficient and effective. The many program improvements provided for in the Estimates before you will be achieved with a level of expenditure, in constant dollar terms, that is likely to be about 3 to 4 percent above the 1980-81 level. Such significant program improvements could not be implemented without the increase in efficiency and effectiveness we have accomplished over the past three years. For example, examination of individual departmental estimates will show that staffing levels are presently around 1,500 below 1977-78 levels, and at the end of 1981-82 we still will be approximately 1,300 below 1977-78 levels.

Your review of the Estimates will also show that some new programming is being brought about by the reallocation of funds. The most obvious and significant examples are the White Paper reforms, including the new Child-Related Income Support Program; the expanded Manitoba Supplement for Pensioners; the enriched SAFER program for elderly renters; the new SAFFR program for family rental assistance; substantially increased day care funding; the new program of Noon and After School Care and the now more equitable Tax Credit Programs. These reforms were made possible by the commitment of added financial resources and by carefully integrating and targeting the programs to ensure that those in real need will receive substantial increases and assistance.

On a smaller scale realignments have been made in several other program areas to ensure that top priorities are assigned the financial resources they require. Our combination of careful budgetary control and reallocation of funds has enabled us to keep within the expenditure guideline set by the First Ministers in 1978 when they agreed that and I quote "The trend of government expenditure growth should be held, on average, to less than the trend growth in the value of gross national product or provincial gross product".

Some of my colleagues have already provided preliminary information on key program improvements for which provision has been made in the '81-'82 Estimates. Full details will of course be made available in Committee of Supply. At time I would like to outline a few of the highlights.

The largest single increase, approximately \$115 million will go toward financing further improvements in what already is widely regarded as one of the best health care systems in Canada. The Estimates of the Department of Health are forecast to total just over \$700 million for next year, up almost 20 percent over 1980-81 reflecting a broad range of important priorities, including a 24 percent increase in the estimates for personal care homes; 31 percent increase for dental services, including the Children's Dental Program; and a combined increase of over 18 percent in the hospital and medical care programs.

The second largest dollar increase is for the Department of Education, close to \$101 million, bringing the departmental total to \$501 million, an increase of 25 percent over the estimate for the

current year. Two of the major improvements in programming which are covered by this increase have already been announced by my colleague, the Minister of Education. Some \$70 million of additional authority will go towards the first major reform of public school financing in Manitoba in nearly a decade and a half. A series of improvements which will make possible the realization of a commitment by this government to pay 80 percent of the costs of education throughout the province. The new Education Support Program will provide major additional assistance for school divisions across the province, will help provide expanded educational opportunities for our children. At the same time, the new measures will have a beneficial impact upon school property taxes in the majority of those divisions because they provide for a far more equitable allocation of the cost of education. A substantial portion of the additional funds for the Department of Education will cover important improvements in assistance to our universities through the University Grants Commission.

The third largest increase of 1981-82 in dollar terms is \$37.7 million in additional Authority for the Department of Community Services and Corrections. The departmental total, some \$249 million, is up 18 percent over the 1980-81 estimate. Part of the increase will cover the estimated cost of the new CRISP program implemented effective January 1st. Authority for other elements of the White Paper programs of assistance for lower income and elderly Manitobans can be found in the Estimates of Manitoba Housing and Renewal Corporation and the Department of Finance.

The aggregate authority being sought in these Estimates for White Paper programs, including tax credits, totals just under \$200 million.

Overall the combined increases for the three major departments with the responsibility in the area of social programming, health, education and community services and corrections are equivalent to approximately 83 percent of the \$303.9 million increase in the estimated expenditures for the coming year.

The Estimates also provide for a series of important increases in all the major departments which share direct responsibility for encouraging economic development and resource development, without which no government can afford to provide the services to its people.

An increase of 19 percent or \$3.6 million is being proposed for the Department of Economic Development and Tourism. Requirements of the Department of Highways and Transportation will increase by approximately 10 percent or \$15.2 million while those of the Department of Natural Resources are estimated to go up 13 percent or \$7.6 million.

The Estimates for the normal programming of the Department of Agriculture are also up by some 9 percent, or almost \$3 million. The overall Estimates for the department show a decrease, of course, because of the special \$41.4 million provision in last year's Estimates for Drought Relief and Assistance.

Although the Estimates for the Department of Northern Affairs also appears to be lower than for the current year, in fact, total northern expenditures in 1981-82 are expected to be higher than in 1980-

81. Estimates have been adjusted to reflect the change-over from the Northlands Agreement to the new Northern Development Agreement. And, as a note on Page 109 of the Estimate Book explains, additional northern development expenditures for 1981-82 are provided for under the Enabling Vote. Cost-sharing has also been proposed for certain Manitoba Telephone System expenditures, which are not covered by the province's Main Estimates.

An additional and extremely important element in our overall Economic Development strategy is, of course, the five-year hydro rate freeze which took effect in 1979. The cost of hydro rate stabilization in 1981-82 is estimated at \$35.8 million, an increase of \$21.7 million over the estimates for 1980-81. As was noted when this program was first introduced, the cost will vary from year to year in line with the repayment schedule for hydro's foreign debt and the fluctuation in the value of foreign currency. The cost of the Hydro Rate Stabilization program are, of course, a statutory item and are shown in the Estimates of the Department of Finance along with the general public debt costs which are also statutory. The provision for public debt charges in this year's estimates is \$94.6 million, up \$14.9 million, or just under 19 percent from the \$79.7 million provision in last year's Estimates.

Earlier I referred to a new Northern Development Agreement, provision for a portion of the expenditures for this new agreement as well as for part of the cost of the Winnipeg Core Area Initiatives Agreement, are included in the Canada-Manitoba Enabling Vote. This year that vote totals some \$14.2 million, which is an increase of \$4.3 million, or 43 percent above the vote for last year. The purpose of the Enabling Vote is to facilitate the management of the cash flow as associated with those other agreements, particularly in their start-up stages.

While our government is optimistic about the probability of a number of new agreements with the Department of Regional Economic Expansion, it is important to emphasize that we share with all the other provinces a number of serious concerns about the possibility of major cutbacks and federal transfers to the provinces, particularly transfers for health, post-secondary education, social services, and other programs. My predecessor presented a consensus statement on this subject on behalf of the four western provinces at a Finance Ministers Conference in Ottawa in December and since that time we have received no further information on federal plans.

The Speech from the Throne at the opening of this session, emphasized our government's determination to continue introducing improvements in the key programs covered by federal-provincial financial agreements. The Estimates I've tabled today show that we intend to live up to that commitment, but in the face of a major federal threat to our current system of transfer payments we must weigh, with considerable caution, additional demands for further program expansion. The one example of uncertainty is the status of the RCMP Cost-Sharing Agreement. I want to draw to members attention the fact that the Estimates of the Department of the Attorney-General provide for a level of funding for RCMP services in line with the 1980-81 Estimates under the current contract provisions. This is consistent with our

position and, I believe, the positions of the other provinces which are now negotiating with the Government of Canada on this matter and I'll provide members with a status report from the federal-provincial transfer of payment negotiations and on the overall outlook for revenues for 1981-82, when I present my first Budget later in the session.

I should probably add a few words of additional explanation on some of the technical points of the Estimates. First, the Estimates have been adjusted to reflect the realignment to ministerial responsibilities announced by the Premier a few weeks ago. Secondly, and as usual, the partial provision for current year general salary increases has been folded into the individual departmental totals for 1980-81. And, because of the current extended contract with the Manitoba Government Employees Association, provisions for the full salary increases under the contract are included in each of the departmental totals for 1981-82. In previous years when a contract had not been signed it was customary to include a partial lump sum allowance in the Estimates for the coming year. For the information of members it is estimated that general salary increases next year, in excess of those resulting from promotions, increments and other adjustments, will total approximately \$20 million more than the \$7.5 million contingency amount included in the 1980-81 Estimates. This \$20 million accounts for nearly a full percentage point of the 14.66 percent increase in this year's Estimates. Finally, and again as usual, no allowance has been included for normal lapsing.

Before concluding I want to express my appreciation, and that of the Finance Department staff who assist the Treasury Board, to the Ministers and officials of all departments who co-operated in the painstaking process of assembling the Estimates now before you. I would like to also extend that thanks to the members of the Finance Department who have worked, perhaps, hardest of all.

I would like to pay special tribute to my predecessor as Minister of Finance, the Member for Riel. When he took over the portfolio of Finance in October of 1977 he faced the onerous and, in many ways, thankless task of restoring a sound financial base in this province. Mr. Speaker, I am proud to say

that under his financial stewardship our government has made significant strides towards achieving this goal. Thank you.

Mr. Speaker, I move, seconded by the Honourable Minister of Natural Resources, that the said message, together with the Estimates accompanying the same, be referred to the Committee of Supply.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSOM: Mr. Speaker, I move, seconded by the Honourable Minister of Energy and Mines that this House will, at its next sitting, resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSOM: Mr. Speaker, I move, seconded by the Minister of Health that this House will, at its next sitting, resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, in spite of the offer to proceed this afternoon with Estimates in Economic Development and Agriculture, the Leader of the Opposition and Opposition House Leader have indicated they would prefer to start Estimates tomorrow, so I, therefore, move that this House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2 o'clock tomorrow afternoon.