



First Session — Thirty-First Legislature  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

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# THE LEGISLATIVE ASSEMBLY of MANITOBA

Thursday, December 8, 1977

Time: 10:30 a.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Honourable 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 Minister of Industry and Commerce.

**HON. ROBERT (Bob) BANMAN:** Mr. Speaker, I would like to, at this time, table a document which I referred to in my speech on Bill No. 3. In retrospect, I suppose that I should have tabled it when I referred to it. Mr. Speaker, I believe that I have learned a valuable lesson in this experience and would like to say that I hope that this in no way sets a precedent and the tabling of the material prepared for me by the department. And I would like to say that I don't believe it does set a precedent because I feel that the material prepared by the department is something that shouldn't have to be tabled.

## NOTICES OF MOTION

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

**MR. EDWARD SCHREYER (Rossmere):** Yes, in view of the preamble made by the honourable minister prior to the tabling of the document, I believe it's necessary in light of his preamble to say that acceptance of the document for tabling doesn't imply acceptance of his preamble.

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

## ORAL QUESTIONS

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

**MR. SCHREYER:** Mr. Speaker, a question to the First Minister. It flows from a statement by the Minister of Finance, as reported, that the decision to defer or freeze for the moment certain construction projects by the Crown does not impact on unemployment figures because the projects were not at the construction stage. In light of that statement — assuming it's correct — I should like to ask the First Minister if in fact those projects . . . to be more specific, those that were at the tender call and contract award stage, namely the Brandon Correctional Facility, The Pas Court House and Jail, and the Motor Vehicle Branch MPIC building, will be proceeded with just as quickly as the documents of contract, etc., can be awarded?

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

**HON. STERLING LYON, Premier (Charleswood):** Mr. Speaker, in answer to the Leader of the Opposition, without dealing with them seriatim, those construction items of which the Leader of the Opposition spoke are still under review by the government and no statement can be made at this time with respect to which of those not under construction at the present time will be proceeding or not proceeding. Those announcements will be made in due course.

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

**MR. HOWARD PAWLEY:** Mr. Speaker, my question is directed to the Honourable the Attorney-General. Is he now ready this morning to table the letter which he had received from the executive director of Legal Aid Manitoba?

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

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, I indicated when the Honourable Member for Selkirk asked me a question relative to this matter that I wanted to be able to clarify the actual remark that has been made and, to that end, I had some officials in my department obtain a transcript of a recording that was made of the proceedings. And I can quote from the transcript, Mr. Speaker, wherein Mr. Larson remarked that I think this Act stands a good chance of bankrupting Legal Aid in about six months. He went on to say that in terms of . . . He said, "I'm just wondering in the terms of day-to-day procedure what the anticipated role will be of the family counsellors. Will they complete

the application, and so forth. Will they be doing that sort of thing?"

Mr. Robert Farr was the derator that answered, "No, it's all going to be sent out to the lawyers, either the lawyers or court clerks in the Family Court; in the County Court, you fill it in yourself."

Mr. Speaker, subsequently, as I indicated to my honourable friend, Mr. Larson wrote to me indicating concern that his remarks were misinterpreted. But I think it's important to note, Sir, that the application under the new procedure under the Family Maintenance Act is composed of a six page document, and whereas in the past informations under the Wives and Children Maintenance Act were filled out in the main by clerks in the court, that it is apparent that lawyers will be required to assist clients in order to fill out this form and the procedure is much more difficult.

Mr. Larson has indicated in his letter that his reference was to the Family Maintenance Act and not to the Marital Property Act, and I am prepared, as I indicated yesterday, to give my honourable friend a copy of the letter wherein he concludes that it is largely guesswork as to the results of what the Marital Property Act will be and what effect that will have, but he does indicate that his remark was confined to the Family Maintenance Act and not the Marital Property Act.

**MR. PAWLEY:** I ask the Honourable Attorney General whether it is not correct that after that meeting the Executive Director has had opportunity to further research the matter, discuss the Family Maintenance Act with the lawyers within Legal Aid Manitoba, in order to evaluate the impact that the Family Maintenance Act might have on the Legal Aid?

**MR. MERCIER:** Mr. Speaker, Sir, I am not aware of what Mr. Larson investigated subsequent to that.

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

**MR. SCHREYER:** Mr. Speaker, in the absence of the Minister of Finance, perhaps to the First Minister. Given that the Federal Minister of Finance has been quoted in very recent days as referring to an unexpected significant increase in economic performance in Canada for the third quarter, and given that this follows on the heels of what was obviously an unexpected negative downturn in economic performance in revenue generation in the second quarter, could the First Minister indicate or take as notice for the Minister of Finance whether any more concrete follow-up is taking place with the federal Finance department or Revenue department officials to ascertain the reasons for this unexpectedness both in the second and third quarters of a single fiscal year?

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

**MR. LYON:** As anticipated by the Leader of the Opposition, I would take that question as notice in order that the Minister might consult with his officials, who may well have been in touch with the federal department of finance.

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

**MR. LLOYD AXWORTHY:** Mr. Speaker, I have a question for the First Minister. In view of a statement that the First Minister made subsequent to his meeting with the Prime Minister that he believes the prevailing feeling in Manitoba is that the Official Languages Act has caused divisiveness in the Province, would the First Minister consider the establishment of some vehicles such as a legislative committee to actually request and receive the views of Manitobans concerning the application of things like the Official Languages Act and their positions as to how they might foresee or consider changes in confederal arrangements for the future.

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

**MR. LYON:** Mr. Speaker, I don't necessarily accept the interpretation that the Honourable Member for Fort Rouge puts on the alleged news report, but I have said on many occasions that the administration of the Official Languages Act has caused divisiveness, not only in Manitoba but right across western Canada and other parts of Canada as well.

With respect to the substance of his question, however, we are embarked at the present time, as he is well aware, in discussions with the federal government leading up to a conference between the Prime Minister and the Premiers of the various provinces. I would think it would be appropriate, as and when detailed and specific discussions concerning any constitutional changes take place, that it would be quite appropriate at that stage, whenever we may arrive at it, that a legislative committee would be formed to have the opportunity then to glean opinions from the people of Manitoba with respect to changes that will be in front of us or suggested changes that will be in front of us. This was a vehicle that was suggested and I forget whether it was utilized in the sixties when precisely the same types of discussions were going on relative to patriation and so on. So I don't dismiss the viability of that kind of a vehicle but what you have to have is proposals of some sort that have gained the consensus of the majority of the provinces, and then you can seek opinions on whether or not those proposals would carry the judgment of the people of Manitoba.

**MR. LLOYD AXWORTHY:** With a supplementary, Mr. Speaker. I thank the First Minister for that

indication of perhaps the future establishment of such a vehicle. I would like to ask him now though, if in all the varieties of reviews and assessments that are presently taking place in the government, if there is any body within that organization which is presently putting together proposals or recommendations that the government of Manitoba would be prepared to make at future federal-provincial conferences, concerning matters of constitutional change or rearrangement that would be in the interest of the province, as well as in the interest of the country, thinking of things such as senate reform, changes in divisions of powers, is there anybody particularly looking at that, developing proposals, and would those proposals in fact be brought forward for some public examination by members of this legislature before they are presented to a federal-provincial conference?

**MR. LYON:** Mr. Speaker, in response to the Member for Fort Rouge, and as I am sure the Leader of the Opposition can testify, there are documents going back in my recollection, as far as eighteen years on the very topic that my honourable friend refers to. With each succeeding government, another layer is added so I think I am safe in saying that this is a matter of continuing review by any government, depending on the peaks and valleys of interest that develop in the course of federal-provincial discussions. At the present time, naturally we have certain matters under review that were under discussion with the previous administration. The preliminary meeting that the Prime Minister had the other day with myself, the meeting that he had yesterday with the Premier of Saskatchewan, was all in furtherance of that same process. To the second part of his question, I refer back to my answer to his first question, to indicate that where there is something substantive that has been placed before the provinces, all of the provinces, and when we get to a stage where the next plateau, if I may use that term, has been reached where there is something on which judgment can be sought, I think the idea of a legislative committee has attraction.

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

**MR. WILSON PARASIUK:** Mr. Speaker, my question is directed to the Attorney-General. In the light of a newspaper report yesterday, which implies that no action is being undertaken to determine whether in fact more shells and missiles are lying around the CN shops, can the minister confirm that appropriate authorities are, in fact, undertaking that investigation?

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

**MR. MERCIER:** Mr. Speaker, Sir, I thank the Honourable Member for Transcona for raising this matter. I was going to stand up at some point in the question period to reply to his previous question, wherein he asked that Emergency Measures Organization undertake some review of the accident in Transcona. I'm advised that the scrap metal was apparently obtained from the CNR reclamation yard and a post witness has apparently stated that the object could have been a military anti-tank round. The Canadian Forces can offer no conclusive information and stated it is impossible to say whether the object was a military device or not' and further advise that there is no information as to whether the explosion was related to the welding itself, or in fact the support object was an explosive device or just a disposed casing. There is apparently no way of tracing the object that was used as a welding support base. I'm advised, Mr. Speaker, that the Chief Meical Examiner has ordered an inquest into this industrial accident and probably many questions that the honourable member has raised, and others, will be answered at the inquest.

**MR. PARASIUK:** A supplementary to the minister. Can he confirm that any search at all is being done with respect to adjacent scrap metal to determine whether there might be any other possible shells lying around there?

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

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, I took a question from the Leader of the Opposition yesterday as notice. I have checked with the department and with the federal people and there is no long-standing federal-provincial agreement on feed assistance. However there is emergency guidelines for emergency situations and some of the guidelines that would unqualify us are already in with the federal-provincial Crop Insurance Program which forage crops are covered.

Another question that was asked earlier on, I believe it was in the week or last week was on the cow-calf subsidy payment of which is a provincial-federal participation by both. The amount of that payment I believe was asked by the Member for Lac du Bonnet. The payment will be approximately \$78.00 per calf which will be available for the producers in the different communities to help purchase feed assistance.

I also have a list of some 150,000 bales in the Dauphin area along with several thousands of bales listed for sale in the interlake region.

**MR. SPEAKER:** Order please. I would like to draw the honourable members' attention to the gallery to my left where we have 40 students from the Teulon Collegiate. These are Grade 11 students under

the supervision of a Mr. Grose, and this school is located in the constituency of the Honourable Minister of Education.

On behalf of all gentlemen we welcome you here today.

The Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Speaker, to obtain the necessary clarification I should like to ask the Minister of Agriculture if he is wishing to indicate to the House that there is no basis for a federal-provincial arrangement or agreement with respect to the possible alleviation of the distress relating to the cattle producers in the Westlake and north Interlake. Can the minister indicate if any proposal has been made to the federal authorities?

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

**MR. DOWNEY:** Mr. Speaker, the first opportunity I had to contact the federal people was this morning and we have not had any time to pursue it any further. However we will be in contact with them.

**MR. SCHREYER:** Thank you, Mr. Speaker. The minister's last sentence really answers the question in large part. I should like to pose a supplementary however. Is the minister wishing to indicate that there is no basis for proceeding to arrange a federal-provincial cost-shared program in this regard? Or is he wishing to say that there is no formal agreement existing?

**MR. DOWNEY:** As I understand it, Mr. Speaker, there are no formal agreements. However there are some guidelines available.

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

**MR. SAUL CHERNIACK:** Thank you, Mr. Speaker. I just would like to direct your attention to the fact that the Minister responsible for the Civil Service has been attempting to catch your eye. The reason I do that is it may not be necessary for me to ask her the question. If she's recognized she seems to have something to contribute to this morning's discussion.

**MR. SPEAKER:** The Honourable Minister of Labour. She is recognized. She seems to have something to contribute to this morning's discussion.

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

**HON. NORMA PRICE (Assiniboia):** Firstly, Mr. Speaker, I would like to reply to a question from the Honourable Member for Churchill, with regard to the lost-time accidents occurred in the mining industry.

I would like to advise him that there has been 82 lost-time accidents in October of this year, as compared with 71 in October of 1976. However, taken in the time of January 1st to October 31st this year compared to last year, there has just been a rise of less than two percent.

While I'm on my feet, I'd like to direct the next one to the Member for St. Johns. By order-in-council the following sub-committees of Cabinet were disestablished effective December 3rd, 1977: The Economic and Resource Development, Health Education and Social Policy, and Manpower Employment and Immigration.

While layoff as provided in subsection (1) of section 19 of the Civil Service Act would normally apply, specific steps were taken in an attempt to find alternative employment for these men for two employees of the Planning Secretariat. As a result of this situation, on the instructions of Management Committee of Cabinet, the two civil servants were formerly advised that their services were to be terminated effective December 2nd, 1977, and that they would receive two weeks pay in lieu of notice.

**MR. CHERNIACK:** Mr. Speaker, I want to thank the honourable minister for responding to the inquiry. May I ask whether she has considered, as the person responsible for the Civil Service, the feasibility and the moral obligation of a decent employer to continue to make reference to the people who have been fired, in order to see whether they can be replaced at a subsequent requirement for services of that nature?

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

**MR. PAWLEY:** Mr. Speaker, my question is directed to the Minister without Portfolio II. Would the minister be able to confirm that there is presently in process the forwarding of termination notices to substantial numbers of employees in the three institutions falling within the jurisdiction of the Minister of Health and Social Development in Portage, Brandon and Selkirk?

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet — or the Honourable Minister . . .

**HON. SIDNEY SPIVAK, Minister without Portfolio (River Heights):** Mr. Speaker, I will answer that question if the honourable member will address me, I think, in an appropriate manner, that will be fine; otherwise it's not my intention to answer. I'll indicate to him that I am not aware of any termination notices that have been sent. The Minister of Health may have some additional information but I'm certainly not aware of the information that he supplied.

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

**MR. SAMUEL USKIW:** Mr. Speaker, wonder whether the Minister of Agriculture would confirm whether or not he has himself made up his mind as to the need for feed assistance for any region of Manitoba, rather than whether he is negotiating with Ottawa. Has he, himself, satisfied himself on that question?

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

**MR. DOWNEY:** Mr. Speaker, I would just like to think that with the announcement of the calf stabilization and the availability of the feed that is in the different regions, that the matter is being looked after.

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

**MR. USKIW:** Yes, is the minister then indicating that it is not his intention to pursue the matter with the federal government?

**MR. DOWNEY:** Mr. Speaker, as I had indicated earlier, that we will be having further talks with the federal people.

**MR. USKIW:** Well, Mr. Speaker, I'm merely trying to get clarification. It seems that the two answers are in contradiction. I again put the question to the Minister of Agriculture. Is he intending to pursue the question of assistance to people in different parts of Manitoba with respect to feed requirements?

**MR. SPEAKER:** Order please, order please. May I point out to the member that repetitive questions are not permitted in the House. The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Thank you, Mr. Speaker. I have a question for the Minister of Labour responsible . . . —(Interjection)—

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

**MR. SCHREYER:** Mr. Speaker, to the Minister of Agriculture, and if it is an incorrect interpretation of his answer yesterday, obviously he will correct me. The Minister of Agriculture indicated yesterday . . . Is it correct to infer from the Minister's answers yesterday that his information is that the extent to which parts of herds are being sold constitutes culling of herds. Is he in a position to confirm or deny reports that the extent to which cattle are being sold in the Westlake and north Interlake country goes far beyond culling?

**MR. DOWNEY:** Mr. Speaker, I believe the reports that I have had to date are that it is a culling process of the cow herds, not complete removal of herds and breeding stock herds.

**MR. SCHREYER:** Well, Mr. Speaker, perhaps the minister would like to take this as notice. In light of reports that as much as 30 percent, and more, of herds are being sold in certain districts or areas of the province, would the minister still want to describe this as culling?

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

**MR. AXWORTHY:** Thank you, Mr. Speaker. I address a question to the Minister of Labour and responsible for the Civil Service, following her statement in the House concerning the transfer of civil servants from the Planning Secretariat to other departments. Would she confirm that those 27 employees of the Civil Service that were transferred were transferred on a conditional basis, that their employ would terminate on March 31st unless additional staff manyears were established in the respective departments to which they are transferred? And would she also confirm that in many cases these civil servants have upwards of 15 to 20 years service in the Public Service of Manitoba, and that in fact that there has been no guarantee given to the fact that they would be able to maintain their employment?

**MR. SPEAKER:** Order please. May I remind the member that questions are supposed to be brief and concise. And while I'm on my feet, may I, at this time welcome to our Chamber a Pukatawagan

School. I believe this school is located in the constituency of the Honourable Member for Flin Flon.

The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Well, Mr. Speaker, I would rephrase the question and perhaps divide the two parts. Could the minister first confirm that in fact those 27 employees have been transferred on a conditional basis in respect of having additional staff man years added to the complement of those departments?

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

**HON. SIDNEY SPIVAK, Minister without Portfolio(River Heights):** Mr. Speaker, I think that the Honourable Member for Fort Rouge asked me the same question three times and I think the answers were given and he can examine Hansard of yesterday and he will find those answers.

**MR. AXWORTHY:** Mr. Speaker, I would address a question to the Minister responsible for the Civil Service who has a responsibility for protecting the position of civil servants in the government of Manitoba. Is the minister responsible for the civil servants? What kind of steps is the minister prepared to take to give guarantees or assurances for continued employment for those civil servants who have been transferred and have had long years of experience in the Civil Service?

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

**MRS. PRICE:** Mr. Speaker, my answer is the same as Mr. Spivak's answer, the Member without Portfolio. The people that have been transferred, they will have a chance to work and show their potential and if there is a requirement for them at the end of their term they will certainly be kept on.

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

**MR. SCHREYER:** Mr. Speaker, I have a question for the Minister without Portfolio, responsible for the Task Force. It is to ask the honourable minister if, in addition to matters pertaining to government organization in the more narrow sense, his Task Force is also looking into matters of — well, having to do with the extent and role of government in the activity of the province — I'm putting it rather generally, but it flows from an official news service release which among other things states as follows:

"That government is the most complex operation in the province today and is involved in every major aspect of activity in Manitoba."

Would the phenomena which attaches to that kind of statement be also probed by this Task Force?

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

**MR. SPIVAK:** Mr. Speaker, I think that the objectives of the Task Force have been indicated. They are available to the Leader of the Opposition if he examines the Order-in-Council and I think he can draw his conclusions from that.

**MR. SPEAKER:** The Honourable Leader of the Opposition with a supplement.

**MR. SCHREYER:** Mr. Speaker, I'm aware of what has been released by the minister or his office to date, but I'm asking him more specifically whether this Task Force will be probing into the rather more general area of government involvement in "every aspect of activity in the province."

**MR. SPIVAK:** Mr. Speaker, I again suggest that the Leader of the Opposition read the objectives of the Task Force as set out in the Order-in-Council. Those are the objectives that the Task Force will be applying itself to.

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

**MR. PAWLEY:** My question is directed to the Minister of Health and Social Development. Has the Minister of Health and Social Development knowledge of the issuance of termination notices to employees in three institutions referred to earlier in the question to the Minister without Portfolio?

**HON. L.R. (Bud) SHERMAN (Fort Garry):** No, Mr. Speaker, I have no such knowledge, but I will investigate the purport of the honourable member's question.

**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 responsible for Colleges and Universities. In view of the worsening unemployment situation in

Manitoba and particularly among the younger people including those with post-secondary education, will the minister consider utilizing his Youth Secretariat, a branch of his department, to develop new employment initiatives for the young in Manitoba?

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

**HON. KEITH A. COSENS (Gimli):** Mr. Speaker, in answer to the honourable member's question, we are studying and looking at this very real concern.

**MR. EVANS:** Just one supplementary then, Mr. Speaker. I thank the honourable minister for his answer and would ask him if he would, in his study, undertake to look into the program that was developed under the previous administration to provide some job opportunities for the young this forthcoming winter.

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

**MR. RONALD McBRYDE:** Mr. Speaker, a question to the same minister, the Minister of Continuing Education. I wonder if the Minister of Continuing Education knows the location of the missing tapes.

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

**MR. BEN HANUSCHAK:** Yes, Mr. Speaker. I wish to direct my question to the Honourable Minister of Continuing Education and Manpower. Could he inform the House whether the construction of the addition to Assiniboine Community College is being proceeded with or is it under the freeze imposed by the government?

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

**MR. COSENS:** Mr. Speaker, I thought that was common knowledge that that is under the freeze.

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

**MR. WILLIAM JENKINS:** Thank you, Mr. Speaker. I have a question for the Honourable Minister of Labour. In reply to a question that I asked her on Monday, December 5th, the question was then, "Could she inform the salary range of the present full-time commissioner." In reply she said, "It was advertised and I'm sure you have those figures." Well, I've checked the Order-in-Council, I've checked the newspapers and everything else. I have not been able to find where the salary range was advertised. Can the honourable minister tell me where I can find those figures?

**MR. SPEAKER:** The Honourable Member for Logan with a supplementary.

**MR. JENKINS:** A supplementary question then, Mr. Speaker. I asked also at that time, the honourable minister, if she could tell me whether the present commissioner was still drawing his salary and she replied at this point in time, she didn't know. Does she know at this time?

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

**MRS. PRICE:** Mr. Speaker, with respect to the first question that was asked, I will take it as notice. In respect to the second question that was asked, yes, he is still drawing his pension.

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

**MR. USKIW:** Mr. Speaker, would the Minister of Agriculture care to indicate to the House just whether or not he had made any progress in his discussions with the federal representatives on the question of the Broiler Marketing Agency?

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

**MR. DOWNEY:** Mr. Speaker, no, there has been no progress made.

**MR. USKIW:** Would the minister indicate to the House just where it is, at what point they are in disagreement with respect to the setting up of the National Broiler Marketing Agency?

**MR. DOWNEY:** I'm waiting to hear back from the other provinces at this point.

**MR. USKIW:** Well, Mr. Speaker, I wonder whether the minister is aware that actually he should be dealing with the federal representatives who are in fact responsible for a national agency. The other provinces have nothing to do with his particular arrangement with that agency.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Speaker. I'd like to address a question to the Minister of Labour. Has the Minister of Labour received any representation in any shape or form from the Manitoba Government Employees' Association requesting the government of Manitoba, or herself as minister, to move or to take initiatives to place the Civil Service under the Labour Relations Act?

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

**MRS. PRICE:** Mr. Speaker, I have had a couple of meetings with the MGEA. The papers that they left with me was just a suggestion, it wasn't a request that they be put under the Labour Relations.

**MR. EVANS:** Thank you, Mr. Speaker. Will the minister then consider this matter and will the minister be prepared to make representations to cabinet, to government, with respect to this long-standing request of the MGEA?

**MRS. PRICE:** Mr. Speaker, I believe that's a matter of government policy.

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

**MR. SCHREYER:** Mr. Speaker, my question is prompted by the fact that the honourable lady's mind is too subtle for me. I shall have to ask her again, as a supplementary, whether when she states that the MGEA has not made a request but merely made a suggestion that they come under the Labour Relations Act, if that be so can the honourable minister confirm then that the MGEA has changed its position in respect to this matter which up until now has been one of requesting coming under the Labour Relations Act?

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

**MRS. PRICE:** Mr. Speaker, the only material I've had is just the one statement in a brief that was presented to me. That's all I've had in the dialogue.

**MR. SCHREYER:** Will the honourable minister take it as notice then in order to answer to the point as to whether there has been a change in the request that is before the government of the province, under whatever administration?

**MRS. PRICE:** Mr. Speaker, I will take the question as notice.

**MR. SPEAKER:** The Honourable Member for Churchill, and before I recognize him may I point out there are two minutes left.

**MR. JAY COWAN:** Thank you, Mr. Speaker. Mr. Speaker, I would like to thank the Honourable Minister of Labour for replying to our question the other day. I have just one question in regard to that. In the fact that she said that there has been an increase of just two percent in the January 1st to October 1st level for the past two years, I'd like to ask her if she considers that increase to be an acceptable level.

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

**MRS. PRICE:** No, I don't. I said it wasn't, Mr. Speaker, that it wasn't just two percent. I said it was under two percent, just under two percent. I don't think it is. There are much more lengthy details that I could give the Honourable Member for Churchill. If he would like them I can give them to him in an Order for Return.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. EVANS:** Mr. Speaker, I'd like to address another question to the Minister responsible for Education as well as post-secondary education, Colleges and Universities. The minister indicated a moment ago, I believe, Mr. Speaker, that there was a freeze on the construction of the Assiniboine Community College at Brandon. Can he indicate to the members of the House whether there is any freeze to any extent on the construction of elementary and secondary public schools in the province?

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

**MR. COSENS:** Mr. Speaker, the answer is no.

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

**MR. SCHREYER:** Mr. Speaker, to the Minister without Portfolio, responsible for the Task Force.

Can the minister indicate whether in the work that the Task Force is undertaking or about to undertake, that it is among other things taking into account this statement and this official press release as being given, namely, that government is the most complex operation in the province today and is involved in every major aspect of activity in Manitoba. Is this, in any way, being taken cognizance of by the task forces?

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

**MR. SPIVAK:** Mr. Speaker, the task force is taking cognizance of the reality of government's involvement in the economy and total involvement in the community, with particular reference not just to the operations of the planning department, but of its agencies, its boards and its Crown corporations.

**MR. SPEAKER:** Orders of the Day. Is it the intention of the House to commence at the report stage of bills? If so . . .

**HON. WARNER JORGENSEN, Minister without Portfolio:** Mr. Speaker, will you call the report stage of Bill No. 2.

### BILL NO. 2 — REPORT STAGE

**MR. SPEAKER:** On the report stage, shall the report of the Standing Committee on Bill No. 2 be adopted? The Honourable Member for Transcona.

**MR. PARASIUK:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Wellington, that Bill 2 be amended by numbering section four thereof as section five, and by adding thereto, immediately after section three thereof, the following section:

Notice of termination.

4. Forthwith upon the coming into force of this Act and in any case within 10 days after the coming into force of this Act, the Provincial Minister under the agreement referred to in section 1 shall give notice in writing, under subclause (3) of clause 3 of the agreement, to the Federal Minister under the agreement, of the termination of the agreement 90 days after the receipt by the Federal Minister of the notice.

**MR. SPEAKER:** We have before us an Amendment moved by the Honourable Member for Transcona, seconded by the Honourable Member for Wellington. Is it the intention of the House to adopt this motion? The Honourable Member for Transcona.

**MR. PARASIUK:** I would like to speak to this motion.

Mr. Speaker, Bill 2 brings one question before us and that's whether, in fact, was a legislature are going to ratify past actions undertaken under ostensibly an agreement to join the Federal Anti-Inflation Program. But there is another question facing us as a legislature, Mr. Speaker, and that is what is our attitude as a legislature towards the anti-inflation program now. Now this amendment states that we want to get out of this program as quickly as possible under the terms of the agreement which we, in fact, are going to ratify if this bill is passed.

Now I don't want to rehash many past arguments about the pros and cons of the AIB program. I think that it's difficult to determine its impact on inflation. I think you can marshal statistical evidence in favour and you can marshal statistical evidence against, and one can try and ascertain whether, in fact, the anti-inflation program did have any impact in psychological terms upon wage demands. I think we can show with some more accuracy that the anti-inflation program certainly didn't have very much impact with respect to prices.

But I really don't want to get into that too much. I would like to ratify that which was done, I think there is an obligation to do so, but at the same time I want us to take a very definite position with respect to the future. Very simply, I want out of that program. It's not working now and I think there would be very few people who could argue that it is having any type of positive psychological impact with respect to either wages, with respect to professional incomes, with respect to prices, and I think a lot of people are somewhat confused as to what they should be doing in the future with respect to wage demands or with respect to investment decisions, and I think it's important that we end that confusion immediately.

Now the difficulty is that the anti-inflation program didn't establish or have a purpose to it with respect to insuring that we had an adequate supply of appropriately priced housing, the anti-inflation program didn't have anything in it which would lead to a rational transportation policy in this country, it didn't do anything with respect to freight rates, it didn't do anything with respect to tariffs, it really didn't do anything with respect to developing any type of economic and social development plans for this country. But it was a massive state intervention, it was a massive intervention into the economy on a scale that has not been witnessed since the second world war, but it had no purpose to it apart from attempting to put a lid on the economy so that supposedly the market system might be saved. Well, it has not worked particularly well in that respect, and frankly if anything could be termed a nuisance at this time, certainly the anti-inflation program should be termed that.

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I have indicated that we should get out, it is a simple thing to do, and I know the position of most of the members on this side of the House, apart from the lone Liberal. I don't know what the position with respect to the anti-inflation program is with Members on the other side of the House. I don't know whether they are in favour of it, or against it, or what, and I think we, as a legislature, should take a very definite stand and say that we want out — for a couple of reasons that I think they should consider. One is that massive state intervention in the economy is something that I would suspect that they themselves would not like. In fact, listening to the speech of the Member for Morris the other day I would think they would not like to see any state. So I would think for their own ideological reasons, they wouldn't want that type of massive state intervention to continue.

Another problem is that this, more than anything else, if we continue it in Manitoba, conceivably would put us in an uncompetitive position with respect to Saskatchewan and Alberta, who have already served notice of termination. They aren't going to be in it anymore. And this is a very massive type of state intervention, and the arguments which I think really were unfounded with respect to the need for competitiveness with respect to the abolition of succession duties, surely do have an application in this instance where the degree of intervention is so massive and so pervasive. I don't know if any of the members opposite have seen the forms that companies have to fill out; if anyone has seen bureaucracy and has some dislike for it, I think that the bureaucracy associated with the anti-inflation program is massive, slow and dim-witted, and the interesting thing is to determine whether in fact the Conservatives want to continue that bureaucracy, and I haven't heard from them yet whether in fact they do or don't. That's why I'm putting the question to them in the form of this amendment. Do they want to get out? We want to get out. I'm also putting it to them — do they think that this may, in fact, be some advantage to Manitoba if we terminate in terms of supposedly, to use their own terms, fostering a better climate for investment, fostering a better climate for free collective bargaining, fostering a better climate for better industrial relations?

I think that this amendment follows the spirit of the legislation; the amendment is in accordance with the terms of the agreement which we would ratify if Bill 2 is passed. And the other day, in Law Amendment Committee, when the possibility of an amendment whereby we would terminate as of December 31st was rejected by the Conservative majority on that committee, because it would run counter to the spirit of the agreement that we were going to ratify to Bill 2, that was the argument used by the Conservatives to defeat that particular amendment. Well frankly, that argument doesn't apply to this amendment. This amendment is completely within the spirit and the terms of the anti-inflation agreement that we will be ratifying, and Mr. Speaker, give the definite date. We even put in ten days of leeway that the new government on the other side — they might not be that clear about how they proceed with definitive decisive action in dealing with the federal government — so we're giving them the ten days leeway to file termination with the federal government. We like to be fair.

I think that an argument may be posed that the federal government has announced that they will be winding down the controls program some time in April. I don't place definitive stock in that type of statement by the federal government. There have been indications before with respect to termination date. Indeed, just in the House the other day the First Minister indicated that he really had not discussed in detail with the Prime Minister, the topic of termination date for the controls program. — (Interjection) — Well, Mr. Speaker, that's a very important item that we have before us, and if he likes to compare the AIB program to the price of eggs in China, that's his right to do so, obviously, but it strikes me that it doesn't show much prioritization on his part. Besides, I would have thought that the First Minister didn't have the slightest interest in China.

**A MEMBER:** Not as much as you, I guess.

**MR. PARASIUK:** But I think that if we, in fact, move this amendment and bring it in, we will in fact provide a focus for the federal government to relate to us on and that is that we are getting out, they know we are getting out, they know that Saskatchewan is getting out — they had made that definite commitment, Alberta has made that definite commitment and therefore, this provides a focus for their dealing with us. It will add a spur to them. It will get their bureaucracy off its seat and it will get them moving to try and develop a sane decontrol program which they haven't done yet, and which, in fact, they may delay.

I think, Mr. Speaker that this meets every possible argument. I think therefore, Mr. Speaker, that we should pass this amendment, we should bring out our position as a legislature, that we want to make ourselves clear to the rest of Canada that we want out of this program as soon as possible. Thank you.

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

**MR. BRIAN CORRIN:** Mr. Speaker, this is a matter that has beset not only the people of Manitoba, but also this House, members of my party, particularly, for some time. We've engaged in a long, exhaustive process entailing a good deal of soul-searching and as I said, this has entailed some agony, some pain, some suffering because it goes to the very root, in my estimation it goes to the very root of the philosophy upon which my party's ideology — if I might loosely use that term — is founded and that's the question of cooperation, the question of cooperation as between various sectors and peoples within our body politics.

Mr. Speaker, this question begs a degree of compromise which individuals are willing to exercise within the fabric of that body politics. It's on that basis, Mr. Speaker, that I must confess, it would be

dishonest, I think intellectually dishonest, and otherwise dishonest of me to suggest that I, as a member of the New Democratic Party, would not have supported this government's initiative when they decided to enter into this agreement with the federal government. In my estimation, it was a question I suppose, of choosing between two evils and I felt, I must say, I will confess, that at the time I was compelled by the arguments that were made, I felt that it would be inequitable if the private sector were under these controls and the public sector were not. I felt that there was a need to make an immediate effort to reconcile our respective differences as between labour and management and producer and consumer. I felt there was an immediate need to subject our economic aspirations to review and assessment.

I was concerned with the same matters that the Honourable Member for Transcona has raised. I was concerned that we, as a nation, were possibly pricing ourselves out of the world's economy. I was concerned that this would, in terms of future impact, entail a good deal of suffering upon all our peoples. And so, Mr. Speaker, I must state, and unequivocally, that at the time it was my feeling that the government acted wisely, prudently, in bringing the Manitoba public sector under the influence of the federal guidelines.

In saying that, Mr. Speaker, I must also acknowledge that I have been following the course of affairs subsequently, and it's my opinion and I think I fairly determined that the effects of the anti-inflation regulations have rendered manifest injustice to a great many of our peoples.

I can think, within the context of my own experience, of the Winnipeg Transit workers. I remember well, the onerous burden that was imposed not only on myself, but on all members of Winnipeg City Council in dealing with the bargaining requests of that particular union. It was with a great deal of regret that I saw the rollback of that union's wages by the Anti-Inflation Board. Just several evenings ago, Mr. Speaker, again, I heard recounted to us by counsel and other representatives for unions within Manitoba, public unions within Manitoba, the injustices and inequities perpetrated by this legislation as against the ir members. I sincerely say that those representations were taken to heart by myself.

I appreciate that many of the decisions, particularly the administrative decisions that were made under the regulations, were in my opinion, arbitrary. They did not take into account the relationships, the historical relationships as between various groups within the public service. I can only say that it struck me as being so true in retrospect, that certain groups had been allowed to benefit while others had been held back iniquitously. In that respect I think I agree that our police — again dealing with something within my former jurisdiction — the City of Winnipeg police, the transit, as compared for instance to groups such as the INCO workers and the postal workers, it occurred to me that there was a disparity as between the treatment between these groups. Something about that was insidious. It was an injustice, it is an injustice.

Now, Mr. Speaker, I should also say that although I had reservations, and I've had reservations, there are and there were alternatives. It occurs to me that — and it has been mentioned already on several occasions I think in the course of debate for this Assembly — that it was with in the provincial government's power to impose an autonomous Manitoba provincial controls program. And, Mr. Speaker, in retrospect, this may have been a prudent course of affairs, but in retrospect I suppose it's always easier to assess the efficiency or efficacy of any one program as against another. The benefits of hindsight are obvious in that you can reflect, repose and reflect on experience and then less incisively make a decision as to what may have been or may not have been the proper course of affairs or conduct in a particular instance. I'm not going to admonish the government, my fellows, and say that they should have entered a provincial control programs, that that would have been a better way, a more superior manner of dealing with this problem.

Also, I believe that reference has been made during the course of debate to the possibility of selective controls as being possibly a more efficacious manner of dealing with this problem. It's true, it's true in retrospect that statistics would seem to indicate that the impact and burden of these controls were borne solely by the wage earners of our country and benefits were not preferred upon others, or upon them rather. Perhaps it would have been again a superior manner of dealing with this if selective controls in certain areas of the economy would have been imposed. Perhaps it would have been, but again, that's with the benefit of hindsight and I won't speak to that question.

Now, Sir, we have before us an amendment which proposes that the province of Manitoba withdraw from the program. That, Sir, I say, is in my opinion the only rational alternative left to us today. Knowing that the program has, within its purview, been — I won't call it a significant failure, but it has been a failure, we all have reservations — I would suggest that it's inequitable to allow in a sense the private sector to benefit at the expense of the public sector. It seems to me that in fairness we should withdraw, we should allow the public sector to return to its former status, allow it to bargain freely and openly with the government. It seems unfair to me that the benefits of tax reduction should be passed on to the private sector, while over \$50 million of rollback wages go unrequited, and are not returned to the public sector. I appreciate that the public sector will not necessarily be able to retrieve all the losses that have been made, but I think my concern lies with the future now. I would recommend this amendment to the House, Sir, and I thank you.

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

**MR. AXWORTHY:** Mr. Speaker, I didn't really intend to speak on the amendment until I heard the two previous speakers. I thought it deserved at least some comment because I think there were two

qualities that I would attribute to the comments; one a high degree of callousness in their remarks because what they were basically suggesting is that we should pass an amendment that would be in the interest of 30 percent of the people of Manitoba and totally disregard the interest of the other 70 percent of the people of Manitoba. What they're simply saying is that they want to pass an amendment that is purely and simply of interest to those in organized labour and to totally disregard and be disinterested in the interest of those who are not. I think, Mr. Speaker, that is the wrong approach to take. Secondly, Mr. Speaker, I would suggest that most of the arguments that he used were really based on false assertions. There was some comment made in this House last night about the degree to which we should honour the necessity of members of the House to deal in truth and honesty and I would suggest that the assertion of fact about failures, difficulties and so on, are not necessarily borne out by facts. Rather than presenting the facts, they simply present them as assertions — it has failed. Well, Mr. Speaker, it hasn't failed. It has not been perfect, it has not been great, but it has not failed. And the fact of the matter is, is that whatever the complex of factors that work at it, that in 1975 the inflation rate in Canada was going upwards of 12 to 14 percent and in this present year it is around 8 eight percent.

Now, Mr. Speaker, the fact of the matter is that we all know that the Minister of Industry and Commerce issued a statement today saying that investment decisions are complex, you can't necessarily isolate the variables which is true in this case too. But, the fact of the matter is that from a purely empirical test, the terminal point of when the program came in and when the program went out is that there has been a substantial reduction in the degree of inflation.

More than that, Mr. Speaker, I think that no one ever intended the anti-inflation program to be a permanent program. The federal government has announced its intentions to bring it to a transition point as of April 14. It's interesting Mr. Speaker, that the one thing that the previous speakers didn't mention in their fault-finding was that in trying to deal with the transition period, trying to find answers to inflation, they didn't mention that both large business and large labour, when brought into discussions of negotiations, asserted with the most dramatic finality that they were not prepared to co-operate in any way, shape or form, in trying to develop any kind of post control transition period. They said basically, "to hell with you, we're going to get what we need to get." It would only be a responsible act of government to treat those kinds of remarks with a degree of wariness, because they have to protect the public interest. They are not in government simply to protect the interest of large labour or large business, or of special interest groups, they're in the business of government to protect all interests. I would simply point out, Mr. Speaker, that the withdrawal of the provincial government in a post-haste fashion from the anti-inflation program without any preparation for transition, without any well-defined plans and programs leading towards how we're going to deal with price restraint and how we're going to deal with collective bargaining in the public service would be an act of irresponsibility.

My concern, Mr. Speaker, is not that we're going to get out too late but that we're going to get out too soon. We should not end an anti-inflation program until in this province and across this country we can provide a strong degree of assurances for most Canadians and most Manitobans that we would not simply be getting out in order to experience the kind of runaway double-digit cost increases that they were facing two or three years ago.

Mr. Speaker, there are a lot of people in this province, for example — a large number of people in my own riding — who are deathly worried that the end of the anti-inflation program, even under its present schedule, will bring with it shortly thereafter an end to a rent restraint or rent control program.

Conservative candidates in the last election indicated that there would be about a six month period after the end of the anti-inflation program, at which point rent control would come to an end. The landlords seemed to think that way. And yet, Mr. Speaker, on the other side of the coin they were also talking about that once it comes off rents will go up 25 or 30 percent.

Well, now, is that what the Member for Transcona wants? Is that what the Member for Wellington wants? Do they really want, next fall, rent increases in the range of 20 or 30 percent? Is that what they're arguing for? Is that in the interests of the common Manitoban? Is that really what they are saying is going to serve the economic interests of this province?

Well, if it is, Mr. Speaker, then I would have to change my otherwise degree of respect and assessment for their qualities of intelligence. Because, Mr. Speaker, that would be a catastrophe of major proportions for the 40 or 50 percent of Manitobans who are renters. And until we are able to find some way of ensuring that there will not be a high escalation in rents, then we should not be ending those kinds of programs.

Mr. Speaker, the present government — as the past government — is taking no steps whatsoever to put in place the kinds of conditions that would meliorate the elements that lead to rent increases.

We are not increasing the supply of housing. In fact, it's quite obvious that we're reducing the supply of housing. The serious cutbacks that are being prophesized by Manitoba Housing and Renewal Corporation will add to the all ready major shortfall in rental housing in the province. And the fact that the Board of Directors of MHRC will reduce the provincial commitment in housing by almost 50 percent is going to be a very serious problem and will not in any way help try to meliorate, reduce the pressures on the total rental market. Nor are any other steps being taken to put in place that would deal with rents.

So, Mr. Speaker, when the Member for Transcona asks for support for this amendment you really have to say, "Are you crazy? I mean, is this what you really want?" I mean, or are you simply parroting certain standard ideological lines that emanate from trade union journals time and time again?

Mr. Speaker, I really am amazed because I don't think that this is an issue that necessarily should be one that is based upon a simple expression of representation of certain self-interest groups in a society. I think you have to look at an overall picture.

Let's even take a look at the question of collective bargaining. They say, "Let's return to fair open collective bargaining in the province of Manitoba."

Well, let's look at the record of that, Mr. Speaker. I'm sure the Member for Transcona, as a previous member of the provincial administration, would be well acquainted with the Woods Report. I'm sure he must have read it. I'm sure he would have even digested it, perhaps. Well the Woods Report — which I still think is one of the critical documents that have been written in this province in the last four or five years — indicated that the mechanisms and means by which we deal with collective bargaining in the public service in the province of Manitoba are antiquated, out of date, and will simply lead to increased conflict and lack of control and accountability.

Now, those are his conclusions. He was someone that was hired by the previous government. Maybe even the Member for Transcona was responsible for appointing him; I don't know. But the fact of the matter is that report said that until you find and introduce a number of new instruments into the question of how to deal with public service unions and collective bargaining in the public service, that you are going to have to face a continued frequency of conflict, a continued frequency of wage demands backed up by political power. Because the one thing that the Woods Report said that has been borne out by every other analysis on public service bargaining is that the collective bargaining process in the public service is not the same as it is in the private sector.

You are not dealing with simply the exchange of goods and services because, to begin with, government raises its money by taxation, not by selling things, and therefore there is a different set of pressures and government is responsive to votes, not simply to the price mechanism or the market mechanism, therefore there is a very different set of processes at work in the public service.

Now, Mr. Speaker, you know that's not a profound new idea. The Woods Committee was just reporting what has been part and parcel of the analysis that most labour relations experts, including people who I think, members on this side of the House and the NDP, would treat with a great deal of respect. I'm sure they have read the reports of George Bain, who is someone who has been very close to this government in the past and has done a lot of work for them as a consultant. Well, George Bain is considered one of the foremost authorities in the world on labour relations and he says the same thing: that the way to deal with labour relations in the public service requires different sets of mechanisms.

Yet I didn't hear the Member for Transcona indicate in introducing this amendment that steps should be taken to respond to that. He simply says, "Let's get out. Let's change it." You know, . . . go back to the old ways of doing things.

Well, Mr. Speaker, you know I'm not prepared to go back to the old ways of doing things. I don't think most Manitobans are prepared to go back to the old ways of doing things. I don't think they're prepared to face the kind of demands and escalations in wages, in costs, and in prices and profits that they faced before. They want a new regime.

One of my great regrets, Mr. Speaker, in terms of my own party, is that the musings and meanderings of the Prime Minister back on a Christmas Eve program where he said, "Maybe it's time to rethink a lot of old propositions." He sort of engendered a kind of pavlovian reaction from union leaders, business leaders . . . You know everyone said, "Oh My God, he's talking some radical nonsense."

Mr. Speaker, he was talking sense. It's time we re-thought a lot of the old propositions. And, unfortunately, members opposite like the Member for Transcona simply want to return to the previous situation. That's what his words were. "Let's get back to the old ways as they were before."

Well, I don't think those ways were so hot. So, Mr. Speaker, this amendment really I think is in the disservice of this province. I don't think it provides . . . It might have made some sense. It might have had some merit if attached to the amendments — or even attached to the introduction to the amendment were a series of prescriptions or ideas as to how to deal with the problem of inflation, how to start re-organizing collective bargaining in the public service, how to deal with the problem of rent increases, how to deal with price escalations in other sectors of the economy.

Surely to God, Mr. Speaker, the time calls, at this point, for some new thinking or some imagination and creativity in economic management.

The new government that we have is sort of basing its total economic package on the idea that government restraint, cutbacks, firings, lateral transfers with the falling off the cliff on March 31st, will solve the problem.

In part it may, Mr. Speaker, but I'm not prepared at this stage to dispute totally the fact that there can be better management in government but it is certainly not the total answer. It's not a complete answer to the problem.

In fact I suspect, Mr. Speaker, that come a few months hence when the vacuums that have been created by the withdrawal of government activity have still not been filled, then there is going to be a mad scrambling to find sort of quick answers to problems of employment and cost. Mr. Speaker, I suspect, a feeling about it, I guess, certainly from the people I have talked to, both in business and in labour, that they would be prepared and are anxious for some leadership in this area. They don't want to return to the anti-Bellan situation. They don't want to return to things the way they used to be. I realize that there is a kind of a mood of nostalgia, back to good old times. But I think most people are shrewder than that; they realize that economic conditions in this province and in this country have changed radically, that there are brand new economic institutions at work that aren't encompassed

in old Keynesian theories, or old Herbert Hoover theories, or Adam Smith theories, whichever ones happened to be dominant in the government of the time . . . —(Interjection)— Or Marxian theories, that's right. And that seems to be the range of debate that we usually encompass in our economic discourse in this House, from Adam Smith and Herbert Hoover down to Marx.

What they're simply saying, Mr. Speaker, is that maybe the biggest failure of government to the state — whether it's provincial or federal — is that as yet leadership hasn't been provided, that degree of initiative in presenting alternative mechanisms, hasn't really yet sort of caught hold. And maybe that's where the problem is — not the problem that the Member for Transcona pointed out. He is simply saying that you know investment won't take place, and the unions aren't happy. Agreed, but you're not going to make it any better by simply getting out quickly, going sort of into a kind of cold sweat, and all of a sudden sort of saying, let things take care of themselves, because there are far too many people who will be hurt by that process.

Mr. Speaker, I'm not prepared, as a representative of a constituency where there would be a lot of people who are not in organized labour, that are simply sort of individuals who in many cases are on fixed incomes or on limited incomes, to have them hurt by the kind of measures being advocated by the Member for Transcona.

So, Mr. Speaker, I think that this amendment highlights again a simple fact. It is that we really are still in the province of Manitoba, and I would daresay in the country as a whole, waiting for the kind of answers that we need.

The federal Minister of Labour, Mr. Munro, put together 14 points in terms of introduction of measures he would like to see as part of the transition period. And I think there are some worthwhile steps included in that. But again, they're not the sole answer.

I would at least like to see, Mr. Speaker, members of both sides of this House to come up with similar kinds of prescriptions here, putting out some kind of formula — catechism if you like — as to what we should be doing to respond to the problems, so that the transition beginning in April begins to take place in an orderly way. And that we can begin to incorporate the co-operation of the unions, and the trade associations, and the business leaders, and other economic actors in this province, so that they will also understand and have some guidelines to work on.

And that, Mr. Speaker, is perhaps the one important contribution that this amendment makes. It does dramatize, again, that that is not yet in place.

So, Mr. Speaker, I simply wanted to rise first to contend with the propositions put forward by the two speakers.

**MR. SPEAKER:** You have five minutes left.

**MR. AXWORTHY:** Thank you, Mr. Speaker. And certainly to oppose drastically the conclusions they reached that we should simply get out of the anti-inflation program and have nothing to put in its place.

That would be the worst of all possible worlds. But I would simply leave, Mr. Speaker, with the fact that perhaps this kind of an amendment should once again focus our attention and our minds on the need to find some more rational solutions to the mixed up economic situation that we're in. And I simply say that the prescriptions put forward so far, by the government, are really a half-baked loaf, that they really, again, are relying on old theories which may still have part merit but only in a partial way. And that the missing link and the missing element in economic leadership in this province still is what do we do beginning on April 14th when we move into a transition period. How do we begin to moderate, and continue to moderate, price increases in the province of Manitoba in all its sectors.

**MR. SPEAKER:** Order please. Does the Honourable Member for Transcona have a question?

**MR. PARASIUK:** Yes, I was wondering if the Member for Fort Rouge would entertain a question. The question is: I was wondering if he knows that the federal Liberal government has been in power for many years, and if he has any indication that in the next two or three months they will develop an economic and social plan for the country that they have not developed over the course of the last 10 or 12 years?

**MR. AXWORTHY:** Well, Mr. Speaker, to the first part of the question, I think I can say that I have been aware that they have been in power not only for the last eight or ten years but perhaps fifty years out of the last sixty years, which is perhaps a tribute to the wisdom of the people right across Canada in estimating their ability to manage the economy. What they plan to do in the future — it's anybody's guess, Mr. Speaker. I would think that perhaps the only one in the Chamber who is more privy to it is the First Minister, because he has had opportunity to be in closer consultation with the leader of that government than any other member of this House, and perhaps maybe in the short future he will be more forthcoming.

**MR. LYON:** I defer to the Leader of the Opposition on that.

**MR. SPEAKER:** The Honourable Member for St. Johns have a question, or is he . . .

**MR. CHERNIACK:** Yes, Mr. Speaker, I would like to address a question to the Honourable Member

for Fort Rouge, if he will accept it. I would like to know whether he can confirm my impression that Mr. Chretien has made a public announcement, a commitment, to terminate the AIB as of April 14th? Is that correct?

**MR. AXWORTHY:** Thank you, Mr. Speaker. I have the statement, in fact, in this portable filing cabinet I carry around, of Mr. Chretien, and the statement is not that they would terminate on April 14th, but on April 14th they would begin a decontrol period, which would mean to put in place a series of transition steps to move away from the anti-inflation program to a new program. Now what those mechanisms would be is part of the argument that I was trying to make, is that we should be establishing those mechanisms to move through a transition period so that we can still guarantee and provide some safeguards against price escalation. But he is not talking about termination; he is talking about using April 14th as a starting point for trying to develop a transition period for moving out of decontrol and setting up new mechanisms.

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

**MR. RONALD McBRYDE:** Mr. Speaker, although I support the proposed amendment and I wasn't going to speak on this bill until I heard the Member for Fort Rouge speak. It's always a pleasure to hear him stand up in this provincial legislature and apologize for the federal government and I know he has a very difficult task on his hands, so we have to sympathize with him to that extent.

The way he started his debate, Mr. Speaker, was that the members that had proposed and supported the amendment didn't have an empirical test that wage controls didn't work, but that he had an empirical test. The empirical test was the fact that inflation in fact has gone down since the institution of wage and price controls.

I think it's fairly well known, Mr. Speaker, to those that have been following the situation, that the federal government in Ottawa had predictions — had projections — that in fact inflation was going to reduce slightly at the time that they decided to institute wage controls.

So therefore there are some components missing from the member's analysis. Was it the fact that they instituted these wage controls that caused the slight reduction in inflation, or was it external factors that caused a slight reduction in inflation? I think that anyone studying the situation has come to the conclusion that it's external or other factors that in fact have brought about the reduction, or slight reduction, in the inflation rate.

The other thing that the member didn't mention until the end of his speech was the mention of price. Basically what we have, Mr. Speaker, is a wage control program. And to that extent, to the extent that it is a wage control program, it has been successful. It has controlled wages. It has kept wages down. To the extent that it is a wage and price control, or wage, price and profit control, it has not been a successful program. And there is no way you can stand up and ask the working people to accept a lesser wage when inflation, itself, when the prices of the goods they have to purchase is going up, and when they can see the profits of the company they work for accelerating greatly.

Mr. Speaker, if you look at the profit pictures to the companies, even companies that now keep their profit position by laying off people, like INCO, the profit position is still very good. So the member failed, I think, to look at that aspect of it.

But the other thing he does then, Mr. Speaker, is set up a straw man for a threat that's going to help his constituency. We all know that the Member for Fort Rouge, somehow when the election was called became the champion of rent control in Manitoba. Even though he was a little concerned early on that maybe landlords, you know, might not like this program, he did become the champion of rent control in order to get himself re-elected to this House and in fact it did work for him.

But the straw man he's throwing out is that somehow my colleagues are recommending the end of rent control. Mr. Speaker, they never said that, and they are in fact I am sure against the end of rent control, because I am sure they would like to see the end of rent control only come about when there is a certain vacancy rate in housing in Manitoba. I'm sure that would be their position on the matter.

The Member for Fort Rouge of course ignores that and says, well somehow end of wage controls is an end of rent controls and that is not necessarily the case. Of course it can be the case with this present government, Mr. Speaker, and who knows what they are going to do in the area of rent control, whether they are going to maintain rent controls or whether they are going to eliminate rent controls even though the vacancy rate in Manitoba at this time is very very low.

Now I have to agree with the Member for Fort Rouge that the Conservative government will be reducing the housing supply through its actions in the province of Manitoba, and that they will be increasing the necessity to maintain rent controls in the province of Manitoba through allowing the housing stock to reduce. I think that that position on their part can be measured by the fact that they have appointed the Minister without Portfolio III the Member for Sturgeon Creek, as the minister responsible for housing. That's the same as, Mr. Speaker, as their decision to appoint Mr. Houston as the lawyer responsible for redrafting Family Law or as somebody else said, "They put the wolf in charge of the chicken coop," because the Member for Sturgeon Creek has no desire, especially to increase public housing stock in the province of Manitoba, as judged from his past actions and his past comments.

Mr. Speaker, we do not want to see the end of rent controls. We do not want to see at this time the end of rent controls tied to the end of the — anti-inflation program, Mr. Speaker, is not the correct word — the Wage Control Program of the federal government.

The end of rent controls can only be tied to the supply of housing, to the housing stock, to the

vacancy rate in the province of Manitoba, and that is the position that I think that many of my colleagues would agree with.

Mr. Speaker, then the Member for Fort Rouge went on to talk about labour relations, and I'm not sure, but maybe in his mind the Wage Control Program is a mechanism in labour relations, because I think that is what he said. He said if you eliminate the Wage Control Program you are going back to the old style of labour relations. Mr. Speaker, the Wage Control Program I don't think was even claimed by his colleagues in Ottawa to be a method of labour relations or procedure in terms of union-management negotiations. I don't think anyone has claimed that except the Member for Fort Rouge.

If we want to get into the very complex area of labour relations, let's put it another way since he was asking for empirical evidence. Is there evidence that wage control has improved labour relations in the province of Manitoba? Or is there evidence that wage control has caused more disharmony in labour relations in the province of Manitoba? And I think, Mr. Speaker, a quick scrutiny of the facts will show that in fact wage control has caused disharmony or has weakened the labour-management negotiations, has made poorer the labour scene in the province of Manitoba, has caused more disruption in production in the province of Manitoba, than was under the old imperfect but at least a system that was less disruptive than the system of wage control now imposed by the federal Liberal government in Ottawa.

So, Mr. Speaker, it's not just a case of wanting to return to old labour relations because the wage control mechanism is not a technique of labour relations; and if it is a technique of labour relations then it is one that obviously does not work.

The member discussed the ways that we could disengage to get out of the Wage Control Program. Mr. Speaker, when we talk about the Wage Control Program I think it's very important to understand that many of us on this side of the House could accept a control program, we could accept a control program if in fact it was a price, profit and wage control program. But, Mr. Speaker, what we have now is a federal Wage Control Program. We do not have a price control program; we do not have a profit control program. And unless the federal government in Ottawa is willing to look at a profit and price control program then there's no way we can support just a wage control program. I mean the assumption there that inflation is caused by the workers in the province of Manitoba or in Canada, and they're the only ones that cause inflation.

Mr. Speaker, even the members opposite argue against that theory to some extent because they want to put some of the blame for inflation on government spending.

So, Mr. Speaker, there are some things that could be done to make the Wage Control Program work. The federal government is not willing to do those things, and in fact the Member for Fort Rouge talked about new theories or new programs or new ways of thinking or new economic policy that will help us in this situation. And yet it's very strange that we had a meeting in Manitoba just the other day, when the Premier of Manitoba — the Conservative Premier of Manitoba and the Federal Prime Minister have economic theories that are almost identical — that are almost identical. And I don't know if the member really expects that his colleagues from Ottawa are going to come up with some new thoughts, some new ways of doing things to get some ideas from Mr. Bain, or wherever else, in terms of new policy development, when the thinking of the Prime Minister and the thinking of the Premier of Manitoba . . . Mr. Speaker, when you get, in terms of Manitoba, the two most powerful people, the two most influential people for the province of Manitoba agreeing on reactionary classical conservative economic policy and then the Member for Fort Rouge wants us to look at things in a new way, he's got 100 years to fill up in between, between where the Federal Prime Minister is at and where present progressive or new economic thinking is at.

But the other thing the Member for Fort Rouge talks about was, well we can't be influenced by a special interest group. We can't be interested by labour because they are a special interest group. And therefore we can have wage controls.

He didn't mention profit controls. I'm sorry, Mr. Speaker, he said he did mention profit controls. I didn't think that profit controls were at all a significant part of what he had to say, and I didn't think that price controls, except in the area of rent, was significant in terms of what he had to say. And that of course leads to my suspicion that I suppose I have with Liberals and Conservatives all the time, that in fact they do listen to a special interest group. And the special interest group is not the workers, however; the special interest group is the large multi-national corporations who do not want price, who do not want profit controls, and in fact they do listen to them, that is the interest group that they do listen to and that interest group's interests are not the same as the interests of the people of the province of Manitoba; are not the same interests of the people of Canada, but they are the interests of the Liberal and Conservative parties in Canada and in Manitoba.

So, Mr. Speaker, although the Member for Fort Rouge does not like to live with that fact, the fact of political life in Canada, the influence of the multi-national corporations on the Liberal party, on the Conservative Party, and the fact that they cannot think in any way new because the corporations do not want to think in any way new because they're not hurting, Mr. Speaker, they're not hurting. Mr. Speaker, because they've got so many mechanisms to save themselves from hurting. If they start to have oversupply, instead of following the traditional mechanism to reduce prices — and INCO has that option, Mr. Speaker — if they have an oversupply of nickel what's the traditional way, what is the economic philosophy theory followed by the Liberals and Conservative Party? You reduce prices. When you reduce prices you increase sales and you get rid of your surplus. But how does INCO deal with that problem, because they have other mechanisms? The way to keep your profits up and still have a surplus is to lay off workers, and that's, Mr. Speaker, the interest of International Nickel, not

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the interests of the people of Manitoba; not the interests of the people of Canada. And although the Member for Fort Rouge does not like to hear that, it is also now the interest of the Liberal Party and the Conservative Party who are tied to those corporations. Therefore their interests are not necessarily for the people of Manitoba or the people of Canada.

So, Mr. Speaker, the member's criticisms of my colleagues in introducing this resolution do not hold up under scrutiny. They are incorrect and therefore I intend and would recommend to the House support of this amendment.

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

**MR. JORGENSON:** Mr. Speaker, I wonder if I may ask the indulgence of the House for just a moment. I believe that the First Minister did want to speak on this particular resolution. He was called out unavoidably and if the House will just bear with us for a moment, we'll get him in the House as quickly as possible. —(Interjection)— I wish you would have let me know how long you were going to . . . but if somebody else wishes to speak in the meantime, I'll get him in the House.

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

**MR. SCHREYER:** Mr. Speaker, it would be certainly common sense to accommodate in this context, but would the House Leader not wish to call perhaps another measure? We can always, I would think, agree by leave to revert as soon as the First Minister is back.

**MR. JORGENSON:** He said he'd be back in just a moment. He's just in his office and it will only take a moment to get him here. If somebody else wants to speak on it I .

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

**MR. SCHREYER:** Being a very accommodating individual I think that I could easily take a few minutes on a subject such as has to do with efforts to try to contain the impacts of inflation in an economy beleaguered by it, whether it be a few minutes or a few hours I would be equally willing to speak to that subject matter.

I think I have to be so blunt as to say that I regret very much that for so many Canadians in all parts of the political spectrum we have gone through a very important phase in our country's economic history and we seemed to have learned so little, in all parts of the political spectrum.

I want to say that very bluntly because there are those who persist in believing in some kind of magic; that somehow it is possible to maintain an economy at near full employment without unacceptable levels of inflation. And perhaps there is enough evidence already in existence to indicate that is hardly possible except at fortuitous coincidental circumstances of a fleeting moment in time.

There are those of course who believe that it is not necessary to use the instrumentality of government in behalf of the people to try to contain dislocation of the economy, that let natural forces work, let them work their way through, through whatever excesses and we will arrive back at some future point in time at a nice happy equilibrium again.

I know that some countries have coped with inflation by doing relatively little except letting unemployment mount. And some countries have tried with varying degrees of success to bring in more rational intervention. And unfortunately in some countries both have happened at the same time. That is to say that there has been in place at least an attempted rational effort of restraint — rational restraint and containment — but even while it was in place unemployment has mounted and becoming increasingly worse and worse.

I say very bluntly, Sir, that I am not one Canadian who is prepared to label this experiment a failure, by no stretch of the imagination. I willingly concede that unfortunately there isn't sufficient evidence to prove that it's been successful enough either.

As to what it is in fact that has been most successful in bringing the rate of inflation down, well, just about anybody can have his own particular personal point of view and argue that inflation was coming down anyway; it's come down because of international external forces. Others can argue it's come down because of the effects of the program and so on.

I think it is so essential to any meaningful discussion and debate of this very broad, very large and important economic issue, I think it is so very important that we go at it, that we have it out, as to whether anyone can honestly believe on the basis of both economic history and economic theory and analysis, whether it is possible to keep an economy virtually all the time at something close to full employment without consequential requirement of rational restraints.

Those of course who have no particular concern or desire to maximize levels of employment and minimize levels of unemployment, they can take the position, which is a very facile one, that unemployment can mount, they'll need the intervention of controls and the psychological and real drag on the economy of high levels of unemployment in the labour force will serve as a subduing enough impact at the bargaining table, the marketplace, that inflation will be checked by that means.

But, Mr. Speaker, what is before us here at this point in time is an amendment. I do not want to exaggerate the importance of the amendment. I think it is possible to argue that it is sensible enough if it is a fact and I believe it is a fact that two of our sister prairie provinces are formally committed to

legal disengagement from the controls by the end of this month, or by the end of next month, as the case may be, and I believe that to be accurate, then really there is unnecessary complication arising in this province continuing unaware or simply ignoring the fact that, just next to us, there is a disengagement from the program. Now one would have thought that what we have read in the press in recent weeks about a commitment by the government of Canada to disengage or commence disengagement by the 14th of April, or thereabouts, really meant that there would be a substitution of post-control mechanisms, however ill-defined at the moment, and that for all practical purposes the collective bargaining that would be going on would be more in the post and the precontrol procedure and mechanism than has been the case in the past few years. But even if there were disengagement, Mr. Speaker, let me take this opportunity to say that no one should have any illusions as to what can be practicably countenanced, even after disengagement. Certainly it is inconceivable that the public sector in this, or any other province, can be allowed to proceed in a way that in the final analysis is substantially deviating or different from what is allowed and what is taking place in final result in the industrial or non-public sector. The two cannot be divorced in terms of final result, otherwise there will be digression in terms of take-home pay, and in historical relationships which will cause, I would hazard to say, significant social disharmony and we don't need that. What I am saying, in effect, is even after disengagement there is need for a pay or bargaining policy that is still consistent with the spirit of containment - policy of containment of inflation.

Now I know that there are those who feel that the program has been effective with respect to its restraint on wages and salaries and ineffective with respect to its restraint on prices and profits, and to a degree that may well be true, but to a degree it has had some impact however frustratingly small. It has had some impact with respect to ratios of income, of increment in wages and salaries, so that those at professional and executive echelons have been subject to some limitation just as have been those at middle and lower echelons. So the matter, Sir, is one in which there is no facile answer, and it is one which will come back again, I suggest, at some future year whenever, in our efforts to try and maximize employment and near full employment, we go so far by whatever combination of private and public sector — and that's the rub — by whatever combination of private and public sector as we get closer and closer to a point which one could realistically define as full employment, the sort of fuel of inflation is allowed to burst forth again. That's not expressing it, perhaps, very elegantly, Sir, but it is a matter of fundamental self-evident fact.

I don't know if there are, and maybe it's not even important at this time, because we are not now and probably not for the next 18 to 24 months going to be witnessing the same kind of stage in the economic cycle that we witnessed in '73, '74, when we were on an upward curve in the inflationary cycle, and in a way that really had dislocative effects both in real and in psychological terms for so many Canadians. To simply sit back and to have done nothing in that context would have been inexcusable. I suppose all those who had responsibility for public policy formation feel frustrated that the program has not worked to closer perfection, but it did serve a purpose in the history of our country, the very recent history of our country.

So I want to repeat, Sir, that while there may be sometimes agreement for different reasons, there is agreement with this bill. We also submit that the amendment does not conflict with the main point of the bill and furthermore the amendment is in with concert with what is happening in fact in our two sister provinces, and as such it really is a matter not of great difference — not that it will make such a great difference if it is passed, but it is compatible with what is happening in near proximity to Manitoba and it is compatible to common sense.

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

**MR. LYON:** Mr. Speaker, I rise to say a few words with respect to the amendment moved by the Honourable Member for Transcona. I hasten to assure my colleagues in the House that I do not, underline "not," intend to engage in a long deliberative, dispersive debate on ideology, multi-national corporations, whether or not the program has been a success or a failure. I agree with the Leader of the Opposition that it probably falls somewhere in between, that most people in Canada believed, at that time, and I think that public opinion today still supports the concept that some form of control was necessary. Indeed, there are some who would say that it was too late in coming when it did. But in any case that is not the point before us.

The point before us as I mentioned in introducing the bill is that this legislation is necessary to validate what was obviously the intention of the previous administration when they attempted to do so by way of Order-in-Council. The only change that has been made by way of this amendment is now to suggest that that power which is contained in the agreement by notice of either party to terminate the agreement on 90 days notice, be now exercised by way of this validating legislation. Looked at on that basis alone one could argue, as indeed it has been argued this morning by the Member for Transcona, an argument can be mounted in favour of that. I am reminded, of course, without drawing any conclusions whatsoever, that when the rent control legislation was introduced by the previous administration and suggestions were made by the opposition that there should be a self-destruct clause put in it, that the First Minister of that time said, "Well, that's what we intend to do, there is no need to put it in," and as a result the same kind of amendment that was then moved by the then opposition was not accepted by the then government for reasons of flexibility that they wished to preserve, as they said at that time, with respect to the whole topic.

I am not, however, falling back on that, what might be regarded as a sound precedent that was established by our predecessors, I merely say this: that the amendment as proposed by the

Honourable Member for Transcona would have the practical effect, as I do my computation — let's assume the best of all possible worlds and assume that the bill were to receive third reading and Royal Assent today, assume that the government of Manitoba pursuant to the amendment proposed by the Member for Transcona immediately gave notification, say tomorrow, to the federal government that it was terminating, pursuant to the agreement which had now been ratified 90 days hence. The practical effect of that would be to terminate the AIB participation as of and from March 9th. Now we have it on the very best authority possible, namely the Honourable the Member for Fort Rouge who is the resident agent in this House for the federal government, that the statement made by the Minister of Finance in Ottawa, Mr. Chretien, about the end of controls taking place on the 14th of April, which statement by the way I have never questioned I have always accepted that as being the case, we then must look at the practical effect as between March 9th and April 14th. And really, when you boil it down to its essentials then, what you have is an amendment which really deals with a very, very short period. The practicalities of the amendment, if it were accepted, would have a very minimal effect upon the control period in Manitoba.

So I merely say, not using the previous precedent of the rent control legislation, but I merely say that having regard to the practical effect of what the amendment would be, that we would not feel disposed at this stage to support it, we would rather like to feel that we can work with the federal authorities in determining what are fair and equitable decontrol procedures with respect to this legislation. I would hope, Mr. Speaker, that we could get on today with the report stage and third reading, with leave of the House, and Royal Assent for this bill so that we can get it cleaned up and out of the way so that there will be no more problems with respect to any of the public sector groups as a result of the Supreme Court Judgment which came down demanding, quite properly until this bill is passed, that they be paid under higher negotiated rates than the AIB announced. Really, that is the nub of why we are debating this bill at all, to validate the previous Order-in-Council by the previous administration. What is being brought into issue, of course, now is the termination date. That is a new question. It is a question that can be looked at, and as I have indicated to some of the public sector unions, will be looked at. But really the practical effect of even looking at it, as I have discussed it with them, is only a matter of four or five weeks at the very outside as between say March 8th or 9th and the 14th of April. So without, I hope, any abuse to my honourable friend, the Member for Transcona, without suggesting to him that in any way we wish to preserve the power under the executive which is conferred in the agreement, and he, by this amendment, would be of course suggesting a cut-off right in the legislation, we think that the validation of the agreement as it presently stands is what is before us, that's what we should get on with, that's what we should do. We should be engaged as soon as is practically feasible with the federal authorities on discussions on decontrol and in the natural course of events, in any case, April 14th will be the termination date and our problem, upon which all of us, I think, will have to concentrate from that day forward is to insure that we do have fair, equitable decontrol procedures both for the private and the public sector and to insure that we work our way out of this double conundrum of inflation and unemployment which regrettably has beset our country since 1973.

So I suggest to the Honourable Member for Transcona that we appreciate his persuasive arguments, but unfortunately the effect of them would not be major in any way whatsoever, so we would not be disposed at this stage to accept the amendment.

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

**MR. McBRYDE:** In light of the member's comments, I would like to ask him if he sees the rent control program terminating at the same time as the anti-inflation or wage control program?

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

**MR. LYON:** Mr. Speaker, the government of which my honourable friend was a member announced last session that they had extended the rent control program until, I believe, the fall of 1979, and that is the system under which we are operating at the present time, pardon me, '78 — I'm thinking a year ahead, the fall of 1978 — that is the program under which we are operating at the present time. In all frankness, we haven't had opportunity to look at that at the present time at all.

**MR. SPEAKER:** Are you read . . . stion? Shall the Bill as amended be concurred in? All those in favour . . .

**MR. SCHREYER:** On a point of order, Mr. Speaker, there is just a trace of confusion here. I believe the question to be put to us is the ayes and nays relative to the amendment itself.

**MR. SPEAKER:** The question before the House is the proposed amendment by the Honourable Member for Transcona.

**QUESTION put, MOTION lost.**

**MR. PARASIUK:** Ayes and Nays, Mr. Speaker?

**MR. SPEAKER:** Call in the members.

The question before the House is the amendment to Bill No. 2.

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

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

**NAYS:** Messrs. Anderson, Axworthy, Banman, Blake, Brown, Cosens, Craik, Downey, Driedger, Enns, Ferguson, Galbraith, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McGill, McGregor, McKenzie, Mercier, Minaker, Orchard, Mrs. Price, Messrs. Ransom, Spivak, Wilson.

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

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

Now, on the report stage, is it agreeable that the bill be concurred in? Shall the report of the Standing Committee be adopted?

**MOTION presented and carried.**

### THIRD READING

#### BILL NO. 2 — ANTI-INFLATION ACT (CANADA) AGREEMENT

**MR. LYON,** by leave, presented Bill (No. 2), An Act to ratify an Agreement between the Government of Canada and the Government of the Province of Manitoba under the Anti-Inflation Act (Canada), for third reading.

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

**MR. WILLIAM JENKINS:** Thank you, Mr. Speaker. I'm going to be very brief on this bill.

When this bill came here for second reading, I think I made my position quite clear to this House, what my intentions were to do. I voted for the amendment that the Honourable Member for Transcona, my colleague, proposed to the House here this morning. I voted for it simply because I thought that we could get a commitment out of the First Minister and the government that sometime in the foreseeable future that we could see that we would be out of the AIB program.

This, Sir, is not a disposition on the part of the honourable members opposite, to give a commitment to this side of the House that they wish to get out of the AIB.

I, therefore, am going to, when the bill comes for third reading, which is the stage we're at now, vote against the motion.

The First Minister the other day, when he was speaking in the Throne Speech Debate, accused certain members on this side of the House that we were trying to curry favour of the trade union movement. I can assure the Honourable First Minister that I've been a trade unionist a lot longer than I've been a politician and I've been a member of a trade union longer than he has been a politician. And I have been a member of a trade union perhaps longer than he has been a member of his trade union that he belongs to, which is the Manitoba Bar Association.

So, Mr. Speaker, it's unfortunate this House has seen fit not to adopt the amendment that my honourable colleague proposed. The Honourable Member for Fort Rouge, in speaking to the amendment, accused the members of this side of the House that we were only looking after those people who are organized. I can assure the honourable member that I am looking after also people who are not organized. Those people, Sir, are the ones that suffer worst under an AIB program, because they have no bargaining agent and they get exactly what the employer is going to give them — exactly — and that is the wage guidelines of the AIB, and sometimes even less.

You know the program that was introduced by the First Minister of this country two years ago said that it was going to be wage and price control. Well, we've had plenty of wage control but no price controls. And I think that the honourable gentleman that appeared before the Committee the other night, Mr. McGregor . . . And it's too bad that we don't have the transcripts of that.

Ask your wives. Ask the wives in your constituency if there has been price control. There has been no price control. Coffee at over \$4.00 a pound. Tea, because when people stopped drinking coffee, low and behold the price of tea went up. I never knew there was a consortium dealing in the tea as well. So then when people stopped drinking tea, they started drinking cocoa and low and behold the price of cocoa has gone up.

We've had an effective wage control — absolutely effective. It has put the people, the small people — and they're the ones, the little people, the Honourable Member for Roblin speaks about so glowingly. —(Interjection)— Oh yes, it's your people because your people are the little people. —

(Interjection)—

Well, I would welcome to hear the Honourable Minister of Public Works to get up and make his contribution in this debate. If that's his contribution that he made from his seat, then perhaps where he makes his best contribution is from his seat.

You know it is interesting. A little discussion just took place here during the debate. You know, the former fulltime chairman of the Anti-Inflation Board was Jean Luc Pepin. Nobody now in this little group here seems to know who the new chairman is. We even tried to elicit the information from our honourable friend from Fort Rouge. Even he doesn't know. That's how effective the AIB has been.

They have put the lid on wages but by God they haven't put the lid on prices or profits. That is what you are voting for — a continuation of that. You're voting for a continuation of a program that was dreamt up by the mandarins in Ottawa, and the shirking of the responsibilities of the federal government, for their responsibility, dividing the workforce in half in Canada — public and private sector employees. I always thought we were all one regardless of whether you worked in the public or private service. And if the Prime Minister of this country felt that legislation of this type should be brought in, then surely . . . And I accuse him now, as I have accused him before, of shirking his responsibilities, of xringing in wage and price controls — so-called — and it should have included all of the people of this country. —(Interjection)— Yes, even MLAs and MPs.

But what we've had, Sir, has been an effective wage control program — very effective. And you talk about inflation. As I said in second reading of this bill, there has been inflation — inflation in wage negotiation. You don't have to take my word for it. Read the transcripts. Read what Mr. Gallagher said. Read what Mr. McGregor said. Read what Mr. Jackson said in front of the Committee on Law Amendments. The cost of wage negotiations has tripled or even quadrupled since this program has come in. We've had no effective wage negotiations; we've had a series of wage negotiations: first with the employer, then with the AIB, then with the administrator, then with appeal, then even to the Cabinet, then even to the Supreme Court. That's what you've had. And you know, as far as I am concerned, it was brought in to put a muzzle on free collective bargaining in this country.

So, Mr. Speaker, it is with regret that I have to say that again that under no circumstances am I prepared to vote for this measure.

**MR. SPEAKER:** Are you ready for the question? All those in favour, please say Aye. Those opposed, please say Nay. I believe the Ayes have it.

**MR. JENKINS:** Ayes and Nays, Mr. Speaker.

**MR. SPEAKER:** Has the member support? Call in the members.

The question before this House is third reading on Bill No. 2.

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

**Yeas:** *Messrs. Anderson, Axworthy, Banman, Blake, Bostrom, Boyce Brown, Cherniack, Corrin, Cosens, Craik, Desjardins, Doern, Downey, Driedger, Enns, Evans, Ferguson, Fox, Galbraith, Gourlay, Hanuschak, Hyde, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McBryde, McGill, McGregor, McKenzie, Malinowski, Mercier, Miller, Minaker, Orchard, Parasiuk, Pawley, Mrs. Price, Messrs. Ransom, Schreyer, Spivak, Uskiw, Walding, Wilson.*

**NAYS:** *Messrs. Adam, Barrow, Cowan, Jenkins.*

**MR. CLERK:** Yeas 46, Nays 4.

**MR. SPEAKER:** I declare the motion carried.

The hour being 12:30, the House is adjourned until 2:30 this afternoon.