



ISSN 0542-5492

First Session — Thirty-First Legislature

of the

## **Legislative Assembly of Manitoba**

# **DEBATES and PROCEEDINGS**

26 Elizabeth II

*Published under the  
authority of  
The Honourable Harry E. Graham  
Speaker*



Vol. XXV No. 20

10:00 a.m. Friday, December 9, 1977

# MANITOBA LEGISLATIVE ASSEMBLY

## Thirty-First Legislature

### Members, Constituencies and Political Affiliation

Name	Constituency	Political Affiliation
ADAM, A.R. (Pete)	Ste Rose	NDP
ANDERSON, Bob	Springfield	P.C.
AXWORTHY, Lloyd	Fort Rouge	Lib
BANMAN, Hon. Robert (Bob)	La Verendrye	P.C.
BARROW, Tom	Flin Flon	NDP
BLAKE, Hon. David	Minnedosa	P.C.
BOSTROM, Harvey	Rupertsland	NDP
BOYCE, J.R. (Bud)	Winnipeg Centre	NDP
BROWN, Arnold	Rhineland	P.C.
CHERNIACK, Saul, Q.C.	St. Johns	NDP
CORRIN, Brian	Wellington	NDP
COSENS, Hon. Keith A.	Gimli	P.C.
COWAN, Jay	Churchill	NDP
CRAIK, Hon. Donald W.	Reil	P.C.
DESJARDINS, Laurent L.	St. Boniface	NDP
DOERN, Russell	Elmwood	NDP
DOMINO, Len	St. Matthews	P.C.
DOWNEY, Hon. Jim	Arthur	P.C.
DRIEDGER, Albert	Emerson	P.C.
EINARSON, Henry J.	Rock Lake	P.C.
ENNS, Hon. Harry J.	Lakeside	P.C.
EVANS, Leonard S.	Brandon East	NDP
FERGUSON, James R.	Gladstone	P.C.
FOX, Peter	Kildonan	NDP
GALBRAITH, Jim	Dauphin	P.C.
GORLEY, Doug	Swan River	P.C.
GRAHAM, Hon. Harry E.	Birtle-Russell	P.C.
GREEN, Sidney, Q.C.	Inkster	NDP
HANUSCHAK, Ben	Burrows	NDP
HYDE, Lloyd G.	Portage la Prairie	P.C.
JENKINS, William	Logan	NDP
JOHNSTON, Hon. J. Frank	Sturgeon Creek	P.C.
JORGENSEN, Hon. Warner H.	Morris	P.C.
KOVNATS, Abe	Radisson	P.C.
LYON, Sterling R., Q.C.	Charleswood	P.C.
MACMASTER, Hon. Ken	Thompson	P.C.
MALINOWSKI, Donald	Point Douglas	NDP
McBRYDE, Ronald	The Pas	NDP
McGILL, Hon. Edward	Brandon West	P.C.
McGREGOR, Morris	Virden	P.C.
McKENZIE, J. Wally	Roblin	P.C.
MERCIER, Hon. Gerald W.J.	Osborne	P.C.
MILLER, Saul A.	Seven Oaks	NDP
MINAKER, George	St. James	P.C.
ORCHARD, Don	Pembina	P.C.
PARASIUK, Wilson	Transcona	NDP
PAWLEY, Howard, Q.C.	Selkirk	NDP
PRICE, Hon. Norma	Assiniboia	P.C.
RANSOM, Hon. Brian	Souris-Killarney	P.C.
SCHREYER, Edward	Rossmere	NDP
SHERMAN, Hon. L.R. (Bud)	Fort Garry	P.C.
SPIVAK, Hon. Sidney, Q.C.	River Heights	P.C.
STEEN, Warren	Crescentwood	P.C.
URUSKI, Billie	St. George	NDP
USKIW, Samuel	Lac du Bonnet	NDP
WALDING, D. James	St. Vital	NDP
WILSON, Robert G.	Wolseley	P.C.

# THE LEGISLATIVE ASSEMBLY of MANITOBA

Friday, December 9, 1977

Time: 10:00 a.m.

## OPENING PRAYER by Mr. Speaker.

**MR. SPEAKER, Honourable Harry E. Graham (Birtle-Russell):** I should like to bring the honourable members' attention to the gallery to the right where we have 25 students from the Ralph Brown Elementary School. This school is under the direction of Mr. Dubreuil. This school is located in the constituency of the Honourable Member for Inkster.

On behalf of all the members, we welcome you here today.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

## ORAL QUESTIONS

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

**MR. EDWARD SCHREYER (Rossmere):** Mr. Speaker, the other day I asked the First Minister if he could confirm whether the newspaper reports were correct that the Prime Minister had sold him on his plans for economic recovery. The First Minister indicated that he hadn't had an opportunity to see what these plans, as reported, were. I'd like to ask the First Minister if, after last night's meeting, he has any other plans that he could indicate whether he was sold on or not?

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

**HON. STERLING R. LYON, Premier (Charleswood):** Well, Mr. Speaker, referring to last night's extremely successful meeting, in terms of numbers, enthusiasm and the quality of the main speaker—namely the national Leader of the Opposition — I have ideas that there will be many plans afoot for the people of Canada, which will take place under the leadership of that same gentleman, Mr. Joe Clark.

With respect to the serious part of his question, I expect that there will be — if not already — some communication arriving this morning from the Prime Minister, outlining what his proposals may be and subject to the usual conditions that apply to that kind of correspondence. I would be happy to share that communication with my honourable friend and the members of the House when I get a chance to look at it.

**MR. SCHREYER:** Well, Mr. Speaker, we will look forward to that. Unless this is a violation of Beauchesne Citation 180, Sir, I'd like to ask the First Minister if he couldn't at least share with us one example of this distilled wisdom with respect to plans for Canadian economic recovery that was unfolded last night.

**MR. SPEAKER:** May I point out to the honourable gentleman that we have had a change in the laws of this Chamber, and I believe we do, on some occasions, allow coffee in here only. Excuse me, maybe the Honourable Leader of the Opposition should rephrase that question. You were talking about something being distilled . . .

**MR. SCHREYER:** Oh, Mr. Speaker, I was, until a split second ago, completely at a loss but when I referred to the distilled essence, Sir, I was thinking of wisdom, not of anything else, Sir.

**MR. SPEAKER:** I apologize to the House for not listening close enough to the question. The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Mr. Speaker, I'd like to direct a question to the Minister of Finance, in his capacity as the minister to whom the Manitoba Hydro reports. I wonder if he could give us some indication as to the cause of and the extent of and the possible difficulties that remain with regard to the maintenance of hydro service in greater Winnipeg and in other parts of the province of Manitoba. . . There have been various outages, but the reasons or the extent of same have been left rather in doubt and I think that possibly that raises more fears than a concise explanation would do.

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

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, I can only tell the Member for Inkster essentially the same sort of information that has been given to the public about a sequence of events that began yesterday, and there was no association between what happened yesterday afternoon and the problem last night, which was the problem of the American system also having a problem, which happened to be coincidental. So the American system, which we rely on as the insurance to pick up the load from the north was not there to pick it up because of a difficulty they were also experiencing in the States, so it

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just turned out that there was a double problem, and as a result it caused an outage approaching an hour, last night, which began to take on serious proportions to the point where the hydro apparently advised all the news media they could to warn people to dump as much load as possible to try and help them bring the system back on.

The only thing I can tell the Member for Inkster is that we are asking for future benefits—since this has been the most serious power outage and the most serious weather, certainly tied with the most critical weather conditions in Manitoba—some sort of a guarantee or at least what steps would have to be taken in the way of guarantees of assurances of supply or changes to make sure that in the future this same sort of thing doesn't lead to a more serious situation.

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

**MR. GREEN:** Well, Mr. Speaker, I thank the Honourable Minister for his remarks, and I would appreciate that the probabilities of both systems having a problem at the same time are probably one in, let's say, a billion. But, could the minister indicate, if he is able to, and I understand it if he is not, what the difficulty was with Nelson River Development which it was indicated that the Nelson River was the one that wasn't able to operate, and are we now home free, are the difficulties overcome at the present time?

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

**MR. CRAIK:** I can't give the minister the technical explanation of what the difficulty was with the Nelson River system, but as he knows this has happened periodically, where the DC line, either at the north end or at the south end, had difficulties, and I can't tell him exactly technically what happened this time. I presume it's the same as what's happened before — it just happened to happen at a bad time. —(Interjection)— Well, we are still using some import power this morning and they are still correcting it, but as I say we will be asking for a full report, in fact, we will be meeting with them later today to talk about it.

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. KEN MacMASTER (Thompson):** Yes, Mr. Speaker, I don't know whether it's actually a statement or should be a statement or an answer to a variety of questions.

It is in relationship to the commercial fishing and the final payment that's being deferred by the federal government. I received a telegram yesterday from the Honourable Romeo LeBlanc, Minister of Fisheries and Environment, and is it appropriate that I read it at this time?

**MR. SPEAKER:** Is it agreeable? The Honourable Minister of Northern Affairs.

**MR. MacMASTER:** "Referring to yours of December 7th, received, re final payments to fishermen by Fresh Fish Marketing Corporation, year ending April 30th, '77.

"As you know I do not make decisions for the Board of the Fresh Fish Marketing Corporation. As Minister, you can well understand that one must have confidence in the Boards of any Crown corporations, and in this case have confidence in this Board which is made up of 50 percent provincial, 50 percent federal appointees with four being fishermen. I do not intend running the corporation on a day-to-day basis, which is the case with all ministers who have charge of government agencies, be they provincial or federal.

"I am given to understand that fishermen, before final payment is made, have increased their earnings by a sum of \$4 million over the previous year. However, volumes naturally mean heavier than normal financing by the Fresh Fish Marketing Corporation, which has reached its borrowing ceiling. The Board felt it would be irresponsible to extend the borrowing over their limit, consequently they had no choice but to defer final payment. The Chairman of the FFMC is proposing to the — I believe it's the Federal Price Stabilization Board measures to alleviate inventory financing, but the Board requires time to assess the situation and through my department are now endeavouring to arrange a bridging program; but as you well know it takes time to get through the necessary formalities.

"May I remind you that private fish companies would have stopped buying as they did some years ago. Fresh Fish Marketing Corporation could not suspend purchases as they must buy all legally caught fish. I have confidence in the Chairman of the Board of the Fresh Fish Marketing Corporation, who are working diligently in the interests of the fishermen in a very competitive field.

"I am recommending a meeting, etc., etc. ... "

A couple, well several points of interest coming out of this, but the one is where the minister says I do not intend to run the corporation on a day-to-day basis or situation. Mr. Speaker, this is not a day-to-day, it just didn't happen yesterday, we are not faced with a crisis today, it has been happening over a period of the last two years, where the inventory has been built up and the marketing system is not acceptable to the fishermen.

I appreciate that it takes time for them to try to find some financing in regards to their inventory, and to attempt to arrange some bridging money. Thank you.

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

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**MR. SCHREYER:** Mr. Speaker, by the last few remarks of the honourable minister, it is clear that he does not regard that reply as useful or adequate in the circumstances. May I therefore ask what action, if any, the honourable minister proposes to take now?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**MR. MacMASTER:** Mr. Speaker, I am going to have to speak to my colleagues in Cabinet before I make any further decisions on this.

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

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs. Before I do so, Mr. Speaker, I want to make it clear that when I used the statistics "one in a billion," that it really had no scientific authority to it. I was just making a guesstimate off the top of my head. I really was not intending that that would be the probability.

I would like to ask the Minister of Northern Affairs whether he would not request of Mr. LeBlanc, not, Mr. Speaker, to interfere with the decision-making powers of the Freshwater Fish Marketing Corporation which I totally agree with, but to make their decision-making much easier by giving them a check, and I am not talking about a blank check, but a check that would not be in interference with their decision-making at all. It will merely be giving them more freedom of action to make different types of decisions, and I am not talking about a grant; I am talking about an advance.

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**MR. MacMASTER:** Mr. Speaker, in an effort to answer the question from the Member for Inkster, they make reference, and I have heard it many times, about their borrowing limit. He talks about inventory, of the inventory internal additional financing because of that, and arranging bridge financing. I suppose it's all a combination of things, I would hope, that they're seriously looking at and that it's not a matter that they're going to consider in '78. I would hope that they're going to consider it like right now.

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

**MR. SCHREYER:** Mr. Speaker, a question to the minister responsible for Renewable Resources. He may wish to take it as notice. Has the honourable minister had an opportunity to pursue with the federal Minister of Fisheries, the matter of the possible construction under the FFMC somewhere in Manitoba, of a rough fish processing facility, which facility I may add for the honourable minister's information, was promised in writing by the federal authorities some four or five years ago? Will the honourable minister undertake to this House to pursue this matter as diligently as he can?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs. Just wondering, Mr. Speaker, if the Leader of the Opposition has copies of that correspondence. I have a great deal of correspondence going back many years, but I don't have that particular document.

**MR. SCHREYER:** I can assure my honourable friend that yes, a file bearing on the promise, to put it simply, by the federal Minister of Fisheries a few years ago is on file, and if my honourable friend has any difficulty in obtaining same, I will be happy to attempt to get a copy from the files that I have access to.

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

**MR. LLOYD AXWORTHY:** Mr. Speaker, I have a question for the Minister of Labour. The minister took as notice, several days ago, a question I asked concerning the access to the new stadium project that the City of Winnipeg, Winnipeg Enterprises was building, access for handicapped people and she undertook to meet with City of Winnipeg officials to determine whether proper facilities and access would be given to handicapped people in that new construction. Well, the question is, has she had the meeting and can she report to the House?

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

**HON. NORMA PRICE:** (Assiniboia) No, I haven't had a meeting as yet, but I will get back to the Member for Fort Rouge.

**MR. AXWORTHY:** On another question to the same minister, Mr. Speaker. In a report carried in the newspaper two days ago, fire officials from the City of Winnipeg, indicated that they feel that several deaths could have been avoided over the past two years, if there had been laws in the Building Code requiring compulsory smoke detectors. I was wondering if the minister has had an opportunity to look at that report, meet with those officials and would she be prepared to examine the possibility of their

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requiring smoke detectors as part of compulsory requirements under the Building Code in the province.

**MRS. PRICE:** Yes, we are looking into that right now, Mr. Speaker. I have had some people looking into it.

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

**MR. AXWORTHY:** Yes, a final supplementary, Mr. Speaker. I ask the minister if, as part of that review or examination of smoke detectors, where the minister has taken reference to a resolution that was passed in this House last year, unanimously I believe by all three parties, that would establish loan funds for the introduction of improved fire safety improvements in older buildings. Is that part of the review, wouldn't that be considered as part of the measures that might be brought forward?

**MR. SPEAKER:** Orders of the Day. The Honourable Member for St. George.

**MR. BILLIE URUSKI:** Thank you, Mr. Speaker. I'd like to ask a question of the First Minister following up on my questions yesterday. I'd like to ask the First Minister whether an offer of a lateral transfer was given to the Civil Service Commissioner at the time of his notification that he would be moved from permanent to part-time status?

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

**MR. LYON:** Mr. Speaker, since the honourable member put his question yesterday I have been advised that the gentleman in question has retained counsel on his behalf, so I think it would be inappropriate to discuss the situation in the House.

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

**MR. LEONARD S. EVANS:** Mr. Speaker, I'd like to address a question to the Honourable, the Minister of Northern Affairs, again in connection with the Freshwater Fish Marketing Corporation. I understand that the honourable minister has indicated publicly that one of the options he could consider seriously is a withdrawal by the province from the Freshwater Fish Marketing Corporation arrangement, if I understood the honourable minister correctly. Is the honourable minister still considering that seriously as an option or an alternative for recommendation to his cabinet colleagues?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**MR. MacMASTER:** Mr. Speaker, in answer to a question from the Leader of the Opposition several days ago, I said and I say it today and I've said it before and I repeat it, that I believe that we should do everything within our power to try and correct the situation from within before we go elsewhere. The option of opting out, of course you can say that option is there some day somewhere, but at the moment I intend to endeavour to try and correct the situation from within. There's nothing really wrong with the concept. I think it's the workings there's something wrong with.

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

**MR. RUSSELL DOERN:** Mr. Speaker, I wanted to direct a question to the Minister responsible for MHRD. Will the decision —(Interjection)— well, perhaps to the Minister of Consumer Affairs, I think, is actually the minister I wanted to direct it to then. Will the decision to extend rent controls be related to the supply of housing, or the availability of housing or apartments on the market?

**MR. SPEAKER:** The Honourable Minister of Consumer Affairs.

**HON. EDWARD McGILL (Brandon West):** Mr. Speaker, the decision with respect to rent controls and the eventual termination of such controls will relate to a number of factors, and certainly one of those factors would be the availability of rental space in the various communities which fall under those controls at the present time.

**MR. DOERN:** Mr. Speaker, I then ask the minister whether the government's decision to build fewer units of public housing not enhance the likelihood of extending rent controls?

**MR. McGILL:** Mr. Speaker, terms such as enhance and likelihood make this a question that is somewhat imprecise. But the amount of construction, whether it be in the public sector or the private sector, undoubtedly has an effect upon the number of rental units available, and as such is a factor involved in the overall policy decisions.

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

**MR. RONALD McBRYDE:** Mr. Speaker, a question to the Minister of Northern Affairs. I wonder if the minister has information yet as to whether or not there will be a winter fishery on Cedar Lake at

Easterville.

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**MR. MacMASTER:** I'll take it as notice. I couldn't specifically tell him at this moment.

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

**MR. EVANS:** Mr. Speaker, I'd like to address a question to the Minister of Finance or perhaps the First Minister. In view of the announcement that the federal government will be convening a national conference on the state of the economy involving governments and other components of our society, I think either in January or February, can the honourable minister advise the House what solutions or recommendations the government of Manitoba is prepared to recommend at this conference for solutions in the long run to the economic situation we're facing?

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

**MR. LYON:** Mr. Speaker, in response to the Member for Brandon East, when the conference is held the viewpoints and suggestions of the government of Manitoba will be made to the conference, and I'm sure will be available to my honourable friend and everyone else at that time.

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

**MR. McBRYDE:** Mr. Speaker, a question to the Minister of Highways. I wonder if there has been a supplement or increase in the budget for upgrading highway number six between Ponton and Thompson — formerly highway number 391? Has there been any increase in that budget?

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

**HON. HARRY ENNS (Lakeside):** Well, Mr. Speaker, there hasn't been any revision in the kind of work that was called for with respect to that stretch of the highway. I can indicate that the kind of contracts that are normally in the make have been proceeded with. A new highways program will be announced in due course.

**MR. McBRYDE:** Mr. Speaker, I wonder if there has been any supplement or any increase in the highways program, or highways budget, for northern Manitoba in general.

**MR. ENNS:** Well, Mr. Speaker, I think the Honourable Member for The Pas is aware that at about this time of the year we go through the Estimates of this department, the Department of Highways, and we will be making the kind of allocations that departments of highways have always made at this time of the year, re future spending on highways in all parts of the province.

**MR. McBRYDE:** Mr. Speaker, a final supplementary. I wonder, in his budget proposals put before his colleagues, whether the minister has included enough funds to look after the Conservatives extravagant election promises in this regard in northern Manitoba.

**MR. SPEAKER:** Order please. The Honourable Minister of Highways.

**MR. ENNS:** Well just on a point of order, Mr. Speaker, I just want to assure the Honourable Member for The Pas that Conservatives don't make extravagant promises at any time.

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

**MR. GREEN:** Mr. Speaker, I'd like to direct a question to the Minister of Highways. I wonder if the minister is considering a great separation on the highway with regard to the level crossing between Winnipeg and Woodlands.

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

**MR. ENNS:** Well, Mr. Speaker, we all come to this House with certain built-in prejudices and the fact that there is a definite bias and prejudice on the part of the current Minister of Highways with respect to that general area and that particular community of Woodlands, I would have to answer in the affirmative.

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

**MR. DOERN:** Mr. Speaker, I'd like to direct a question to the Minister of Public Works. In view of apparent low prices in the construction industry at this time that are being received by developers and general contractors, would this cause the government to review its freeze and possibly tender some of

the Public Works projects that have been frozen?

**MR. SPEAKER:** The Honourable Minister of Public Works.

**MR. ENNS:** Mr. Speaker, not quarreling with the honourable member's assumption with respect to the price levels of construction at this particular time, I would have to indicate and inform him that the same rather substantial lowering of costs with respect to leasing of space is also evident in the community, and that of course would make the leasing of space equally attractive, in fact more so, in lieu of the situation that no capital input would be required on the part of the government.

**MR. DOERN:** Well, Mr. Speaker, I'm just wondering if the minister is aware of any vacant court buildings or laboratories that are available for leasing.

**MR. ENNS:** Well, Mr. Speaker, I can indicate to the former Honourable Minister of Public Works that there is an excellent set of penthouse suites vacant, at the moment, at the top of the Woodsworth building. There are, in fact, a number of vacancies available, not only in the public sector, unfortunately, I must indicate to him, but certainly in the commercial sector — prime office space.

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

**MR. URUSKI:** Mr. Speaker, a further question to the Minister of Public Works. Is he confirming that the rental space for office rental in the private sector has been declining over the last several months?

**MR. SPEAKER:** The Honourable Minister of Public Works.

**MR. ENNS:** Mr. Speaker, I'm not just confirming it, I'm asserting it. It has declined drastically.

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

**MR. SCHREYER:** Mr. Speaker, if I may take my honourable friend, the Minister of Public Works and Highways, if I may take his mind from penthouses to permafrost, I'd like to ask the honourable minister with respect to the provincial trunk highway number six, from Ponton to Thompson, if there are any plans underway to proceed to the reconstruction, in the order of 15 miles of that 90-mile stretch of road, because of basic permafrost, persistent permafrost difficulty?

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

**MR. ENNS:** Well, Mr. Speaker, let me assure the Leader of the Opposition that with the kind of constant pressure that I expect from my colleague, the now Member for Thompson, the Minister of Northern Affairs, that major undertakings will take place with respect to the piece of road mentioned by the Leader of the Opposition.

We also hope, Mr. Speaker, to entice and to work with the federal authorities to attempt, at least, to restore a part of the program that originally helped build that road in the Conservative years of the federal government, when a certain Mr. Diefenbaker had a vision of the north and brought in such kind of programs as Roads to Resources that were of particular help and had meaning to the northern transportation development.

**MR. SCHREYER:** Well, Mr. Speaker, in wishing my honourable friend well with his efforts, may I ask him if he is aware that there has, indeed, been persistent effort in Manitoba to obtain federal involvement with respect to Roads to Resources. Is my honourable friend, the minister, aware that up until now, at least, the federal policy has been to avoid financial participation in roads that lead to industrial communities, as opposed to remote or traditional communities? That's the distinction.

**MR. ENNS:** Mr. Speaker, I am aware of the difficulties that the Leader of the Opposition raises with this question. I am also aware that the Prime Minister of this country, as late ago as last Tuesday, has all of a sudden indicated that our concern for the priorities of economic matters in this nation, and in the dealing with the provinces and with their federal partners, seems to have come to the position that my First Minister holds dear and true to his heart. I also have to indicate to the former First Minister that I have had the experience, as indeed his government has had the experience, of completing an \$85 million development program in the Interlake, for instance, where substantial amounts of federal moneys were used to build roads, the infrastructures, schools, as well as drainage in that particular part of the country.

It would be our hope that of the rather substantial amounts of money that are currently in play with respect to the Northlands Agreement, for instance, that more of that could be put into the kind of tangible nuts and bolts programs that have a lasting benefit to the area, and that will be there long after this particular highways minister is responsible for the Department of Highways.

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

**MR. McBRYDE:** Mr. Speaker, I wonder if the Minister of Highways could tell us how much of the

present Northlands Agreement is allocated to highways or transportation services in northern Manitoba.

**MR. ENNS:** Mr. Speaker, the Honourable Member for The Pas is a former Minister of the Crown and is well aware of the procedure in this House. He will be notified, as all members in this House will be notified, as to the allocations of various departments and the kind of programs that they intend to pursue. That, I suggest, will be made eminently clear to him when next we meet in spring.

**MR. McBRYDE:** Mr. Speaker, could the Minister of Highways confirm that \$8 million of that Northlands allocation is now for highways and transportation services.

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

**MR. PETER FOX:** Thank you, Mr. Speaker, my question is directed also to the Minister of Highways. In further approach to restraint that the government has been enunciating, is he prepared to be in accord with the Conservative government of Ontario to introduce seatbelt legislation for Manitoba? t

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

**MR. ENNS:** Mr. Speaker, that question among many other questions that we have been left to deal with is under review.

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

**MR. GREEN:** Mr. Speaker, I'd like to direct a question to the First Minister. In view of the warm reception that the Minister of Public Works has given to federal spending in various programs which could be cost-shared with provincial governments, could the First Minister indicate how he would square that with his signature to the Kingston Declaration which, in effect, prohibits federal spending in areas of provincial jurisdiction such as hospitalization, such as health care, such as the kind of program that my honourable friend has referred to?

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

**MR. LYON:** Mr. Speaker, I don't know what version of the Kingston Declaration my honourable friend has been reading, but I would suggest that his interpretation of it is wrong. What my colleague, the Minister of Highways was talking about is the redirection of moneys presently being shared, or presently accruing to the province of Manitoba, by way of block grants, a redirection to more tangibly beneficial projects for the people of Manitoba rather than into some of the other areas in which it has been going.

**MR. GREEN:** Well, Mr. Speaker, perhaps the Honourable First Minister is the one who misunderstands the Kingston Declaration. Is it not a fact that Mr. Moore —(Interjection)— yes, he signed it but he doesn't understand it obviously, that Mr. Moore's and Mr. Loughheed and Mr. Clarke and the other Conservative premiers have all said that there should be no federal spending in areas which could be considered provincial jurisdictions without the consent of all of the provinces or the province concerned?

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

**HON. L.R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, yesterday I took as notice a question from the Honourable the Attorney-General, who asked me at the time whether I had any knowledge of . . . —(Interjection)— I'm sorry, Mr. Speaker, the former Attorney-General, the Honourable Member for Selkirk, who asked me whether I had any knowledge of termination notices being given to employees in the two Mental Health Centres in the province, Brandon and Selkirk and the Manitoba School for Retardates. The answer to the honourable member, Mr. Speaker, is that with current staffing restraints in effect, all vacancies are frozen and therefore term employees cannot be moved from one staff man year to another vacant staff many year, and as a consequence the only option when their term runs out is to let them go with the appropriate notice. That is what is happening at the present time, although the government is studying exemption measures which would make it possible, hopefully, to re-staff and refill when the vacancy level at the non-bulletin level of employees reaches a certain degree.

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

**MR. HOWARD PAWLEY:** I would like to thank the Minister of Health and Social Development for his answer. I wonder if the minister is aware that some of the term employees may be in fact employees that have been with those institutions for a number of years.

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

**MR. SHERMAN:** Well yes, Mr. Speaker, I can advise the Honourable Member for Selkirk that I would

think that a number of those term employees have been with the institutions for a number of years because of the past and regular practice of moving term employees into vacant staff man years as they have occurred. So I would suspect that some of them have been there, but they have been there as term employees all the time and subject to termination of their employment, with due notice, if vacant staff man year positions are not available.

**MR. PAWLEY:** Is the honourable member in a position to estimate how many employees in the three institutions would fit into this category?

**MR. SHEAN:** Yes, Mr. Speaker, I can advise the Honourable Member for Selkirk that at the Brandon Mental Health Centre, out of a total complement of 636, 359 are non-bulletin level positions.

At the Selkirk Mental Health Centre, out of a total complement of 532, 303 are non-bulletin level; and at the Manitoba School for Retardates, out of a total of 682, 457 are non-bulletin level.

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

**MR. AXWORTHY:** Mr. Speaker, I would like to raise a question to the Minister of Health based upon his statement that he made to the Member for Selkirk concerning the vacancies, resignations at the institutions.

At the inquest on the Portage fire, Mr. Lowther, director of that institution — and I think the conclusion was also drawn by the Inquiry Board — was that one of the problems relating to the fire was the problem of supervision and the lack of staff to give adequate supervision. Could the minister indicate that under the conditions that he's just outlined whether that problem, or condition of lack of supervision, will now be exaggerated or put into even further danger because of the inability to fill these positions that he has now announced?

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

**MR. SHERMAN:** Well, Mr. Speaker, I would advise the Honourable Member for Fort Rouge, that's precisely what we hope to protect the government and the people of Manitoba against, where the government at the present time is considering measures that would, in effect, permit exemptions from the staffing and hiring restraints, so that when a certain level of vacancy occurs — and it would be a minimal level — that it would be possible to refill those positions. That is under consideration by the government at the present time.

**MR. AXWORTHY:** A supplementary, Mr. Speaker. I accept the minister's explanation that the exemptions are being planned, but my understanding from the Portage inquest was that the problem was already in existence; that there was already a shortage of staff to provide adequate supervision. And there was also a number of resignations subsequent to that fire and that therefore one could conclude . . .

**MR. SPEAKER:** Order please. Order please. The time for questions has now expired. We will proceed with the Orders of the Day. Order please. The Honourable Member for Fort Rouge on a point of order?

**MR. AXWORTHY:** Yes, a point of order, Mr. Speaker. Considering I think that the — I'm not sure exactly how the rules read but seeing as I was already in transit on the question, could I be allowed to complete it and the minister answer it at this time.

**MR. SPEAKER:** May I point out to the honourable member I was waiting patiently for over a minute for him to ask his question. The Honourable Leader of the Opposition.

**MR. SCHREYER:** On a point of order, simply to ask you, Sir, — well I suppose you can't answer directly — but on the point of order, Mr. Speaker, it would seem that custom and practice would be that any honourable member who is in midstream, so to speak, with a question, be allowed to complete it and the minister reply in whatever way. Otherwise . . . well, I believe I will assert that that has been the normal practice and usage in this House or any other parliament.

**MR. SPEAKER:** I am just a servant of the House and if the House so desires I'm quite willing to let them ask questions all day long.

**HON. WARNER H. JORGENSEN, Minister without Portfolio (Morris):** Sir, the fact is that honourable gentlemen opposite have had 40 minutes of question period, they've had 40 minutes of question period every day, twice a day, the honourable member will be able to pursue that question again this afternoon if he chooses.

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

**MR. SCHREYER:** Mr. Speaker, the point of procedure at issue here is not in whether or not we are going beyond the time limit. If the Honourable Member for Fort Rouge had been not recognized or

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indicated to in advance that the question period had expired, that would be I should think acceptable all round in this House, on both sides. But when an honourable member is in midstream with his question, half way between either bank, it would seem rather an absence of common sense to keep him out in the middle. The Honourable the House Leader, surely is not going to argue here that it has been custom and practice, here or in parliament, to allow someone to state a question to the midway point and then be abruptly called to order.

I would like my honourable friend, the House Leader, to indicate precedent for that.

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

**MR. JORGENSON:** Mr. Speaker, the precedent has just been set at this moment. The fact is that there are 40 minutes, twice a day, that honourable gentlemen opposite have had to ask questions, and if they would spend less time on inane and senseless questions and the ones that are permissible under Orders of the Day, they would have plenty of time to ask the questions that they now deem to be so important.

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

**MR. SCHREYER:** Well, Mr. Speaker, I can see of course that the government of the day do have the majority to back up any particular or even peculiar interpretation of the rules they like. They needn't pretend that that will go down well on this side. I would not be so presumptuous as to comment on the calibre of the questions being asked on this side. I leave that to more egotistical and arrogant members of this House.

May I say in conclusion on the point of order, Sir, that I wish a future for the Honourable the Government House Leader where he is stopped half way up the mountain or half way down.

**MR. SPEAKER:** Order please. Order point please. I want to, out aybe I was in error in calling the question period at an end I was attempting to do was point out to members, all members of the House and ministers too, that long and lengthy questions should not be allowed in the House and perhaps may be cut off.

**MR. GREEN:** Mr. Speaker, then, too, on the point of order and without creating what would be an undesirable precedent, may I understand from what you have said, that you consider that the question wasn't properly in order because of its length? Had it been a question which you considered to be in order even if the forty minutes had terminated, you would have permitted it to be completed and permitted it to be answered. Really, the ruling was made with respect to the nature of the question, and not the forty minutes.

**MR. SPEAKER:** It is always indeed helpful for the Speaker to receive advice of this type.  
Orders of the Day. Is it the intention to move into Committee of the Whole House?

**MR. CRAIK:** Mr. Speaker, I move, seconded by the Minister of Health and Social Development that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider and report on the following bills:  
No. 3, an Act to amend The Gift Tax Act (Manitoba) and the Succession Duty Act (Manitoba);  
No. 4, An Act to amend the Mineral Acreage Tax Act.

**MR. SPEAKER:** Before we proceed with that, may I draw the attention of the honourable members to the Adult Education Group from Lac du Bonnet. There are twenty students under the direction of Mr. Crowe. This school is located in the constituency of the Honourable Member for Lac du Bonnet. On behalf of all members, we welcome you here today.

**MOTION presented and carried** and the House resolved itself into a Committee of the Whole, with the Honourable Member for Roblin in the Chair.

#### **COMMITTEE OF THE WHOLE HOUSE**

**MR. CHAIRMAN, Mr. Wally McKenzie (Roblin):** . . . Section 2(a)—pass . . .  
The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I was not planning to speak at this stage, especially after the excellent presentation by our leader last night but what went on this morning, prompts me to rise, Mr. Chairman, to point out that we are now in the process of favouring wealthy people; of favouring people

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of a very small percentage in Manitoba, at a time when concurrently the province of Manitoba, the government of the province, is reducing staff to the extent of reducing staff for those people who are unable to look after themselves in the mental institutions of this province.

There have been complaints before, and we have all heard them, that the institutions were inadequately staffed in the past and today we have learned that not only is there nothing being done about increasing the staff ratio, there is an actual reduction taking place. The Minister of Health has indicated to this House that they are hoping to work out some system of exemptions in order to make it possible to maintain what they had before but, Mr. Chairman, even that, obviously, will still mean a reduction. So that the government in its plans to find some reduction in staff and savings of money, is not only considering the reduction in programs, but is already in the process of reducing staff, reducing staff in the mental institutions and Mr. Chairman, the effort was made to stifle the opposition questions to get the answers to this, and that effort was successful so far. Therefore, we must conclude that when they asked —(Interjection)— Yes, Mr. Chairman ?

**MR. CHAIRMAN:** Would the member refer to the bill that we are dealing with, which is the Gift Tax Act and the Succession Duty Act?

**MR. CHERNIACK:** Mr. Chairman, I do appreciate your drawing this to my attention because the fact is that we are talking about a substantial reduction in income of the province of Manitoba. This is the design of this Act, to cancel some five million dollars of potential income per year and to remove the imposition of this tax from people who have not worked to earn the money, from people who are wealthy enough to come beyond the exemptions in the Succession Duty and Gift Tax Act, the estates of people who have already died, when at the same time this government is showing a lack of concern for people who are still alive, people who are now in institutions which are designed to care for them because they are unable to care for themselves, people who are endangered even by their own inability to cope and for whom staff is necessary.

Now I have not made a careful study, Mr. Chairman, of the number of people that are required to serve as attendants for the patients in these institutions we refer to but, Mr. Chairman, there is no doubt in my mind that unless the government can assert that these institutions were over-staffed, then obviously, by the statements made this morning by the Minister of Health, the staff is being reduced and not only by attrition, Mr. Chairman, but by the termination of the employment of people who have been working on term for a long period of time and now their term employment is being terminated. People are therefore being turned out into the street. People are therefore being put on the welfare rolls, or potentially on the welfare rolls of this province. People who could be doing and have been doing a service for the mentally or the retarded people of this province in the institutions in which they are, people who could be providing that service and instead of that will be becoming a further drain on the province and thus adding to the reduction of available moneys in the budget, adding to that in addition to what is being proposed in this bill that we are now considering, Mr. Chairman.

And I want to draw to your attention, Mr. Chairman, that this involves a reduction of \$5 million. This also, the information given to us this morning, is an indication of further costs being put potentially on the welfare rolls of the province, at the same time the people will be unable to provide the service that they provided up to now. They are fired and they are people whose services will be withdrawn from those whom they have been serving up to now. I again stress, you are now mentioning, and we have a good example now to show this new government's attitude towards people of wealth, towards people who have estates coming to them in excess in many cases of \$250,000.00. Compare that at the same time, in the same day, in the same morning, in the same Sitting, when we are informed that there is a reduction in the staff of the services to the mentally retarded.

Mr. Chairman, as I say, I was not going to comment. I think that our leader last night made an excellent review of the impact of succession duties in the province in the past and on the very faulty efforts of the government to show that there will be a tremendous stimulus to enterprise and industry in the province because of the effect of the cancellation of these taxes.

I don't intend to repeat that, but I did, as I say, want to draw to your attention, Mr. Chairman, and through you to the people of this province, this government's callous attitude in discharging people who are working, in withdrawing services, reduction of services in those areas where everyone has great concern, on behalf of people who can't look after themselves, and concurrently favouring the few in the province to whom the Conservative party has already made promises in the past. And they are honouring those promises and concurrently they are reducing staff in the essential services of this province.

**MR. CHAIRMAN:** The Honourable Highways Minister.

**MR. ENNS:** Well, Mr. Chairman, I too hadn't intended to speak at this particular time, but as the former minister of finance has drawn the attention of the House to this particular matter, that in his view indicates some callousness on the part of the present government, let me simply remind you, Mr. Chairman, and the House, that while the previous administration was busy building monuments unto itself to house the growth in the civil service, to look after the cars of the civil service in the new public garage that we are just now commissioning and putting into effect, to have on the drawing boards the plans of \$16 million buildings to house presently well-housed employees of Autopac, etc., etc., etc., it was left to this government, Mr. Chairman, to carry out those necessary and recommended recommendations by the Fire Commissioner's office, in this very institution that the Member for St.

Johns is drawing our attention to, to carry out those required improvements with respect to safety and fire safety, regrettably after the fact. Even under the period of restraints, those programs costing somewhat in the neighbourhood of \$400,000 are currently under way.

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

**MR. CHERNIACK:** Thank you, Mr. Chairman, I do appreciate the comments made by the Honourable the Minister of Public Works, and point out to him that he may be doing the work which was planned to be done in connection with safety and fire protection, but he must also realize that there are attendants who must be in attendance at all times to take care of the people who are in those institutions, and I would hate to think that he is trying to indicate to us that capital improvements will take care of the people to the same extent as the attendants who were there and who apparently are no longer there today.

I was rather indignant when I spoke earlier, but I would say that I think that the Honourable Minister of Public Works should share in the real concern if the facts as appear to have been revealed this morning do show a reduction in attendants at the mental institutions. I have no doubt that just as it was a surprise and shock to me to hear what the Minister of Health said this morning, I imagine it was equally a surprise and shock to him, that apparently within his department he is able to provide these necessary works to improve the safety standards and in another department of government they are, at the same time, reducing staff in those very institutions. And I would like to suggest that there be a pretty quick meeting of Cabinet so that those two ministers could get together and try to work out what are the real needs to maintain the situation while the study is going on. I think it's good that the study is going on, but surely that study should not at the same time carry with it a forced attrition which is actually taking away people who are attending the inmates in the mental institutions of this province.

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. SCHREYER:** Mr. Chairman, since I am not familiar in complete detail with the problems that the Honourable the Minister of Health is having to face with respect to aggregate budget, with respect to levels of staffing, I am not going to comment with respect to whatever statement or replies he may have given here in this House yesterday and today. I can well imagine that he must be going through some considerable pangs of doubt and re-analysis as to whether one or another course of action is desirable and preferable and affordable under the circumstances, so he has enough problems that he should well take into account what has been said by the Member for St. Johns and others without any more words from me. But it is the holier than thou attitude as just expressed by the Minister of Public Works that prompts me to rise. What I am saying now is directly germane to what he has said, and I must make two major points here, Sir. One is that the institution commonly referred to as the Portage Home for the Mentally Retarded . . . .

**MR. CHAIRMAN:** Order please. The Minister for Finance on a point of order.

**MR. CRAIK:** Mr. Chairman, I'm sorry to interrupt the Leader of the Opposition, but we have had a very wide-ranging second reading type of debate which began last night on item 2(a) of Bill 3 at committee stage and we are really dealing with item 2(a). I think a lot of latitude has been allowed, but I think we are setting a very bad precedent if we start off by going through and having an almost free-wheeling second reading type of a debate or almost a throne speech type of debate on an item that refers to simply a date, item 2(a) of Bill 3.

**MR. CHAIRMAN:** I thank the honourable member for his comments, and may I again remind the members of the committee that if we are going to progress the way we should and do the work that we are supposed to do, I think they should understand that we should try to stay within the guidelines and the rules of the committee.

**MR. SCHREYER:** Mr. Chairman, I appreciate your problem. I can only undertake then to deal with precisely the same subject matter as the Minister of Public Works, and in no more time, Sir, so that is perhaps the most logical thing to do under the circumstances.

So in three minutes then, Mr. Chairman, may I say to this House with respect to what has been said by the Minister of Public Works, that the Portage Home for the Retarded is an institution which has been there for decades, if not something approaching a century, that the building in which there had been fire commissioner investigation and recommendations as to remedial work is a building which has been there for so long that I should have thought that if there were problems that could be interpreted to exist with respect to fire safety standards that they existed there for decades, not months. That there was also a matter of some disagreement among the experts — I use the word expert here as a short-cut — as to whether among different approaches it would be better, I'm advised, to install smoke detection equipment, heat detection equipment, sprinkler systems, or whatever, is a moot point. Some of the institutional Crown buildings in this province that have been there for 50, 60, 70 years, some of them have not had adverse fire commissioner's reports in the past for the reason that this province had, until a few years ago, one would have to say a nominal, skeletal staff of fire safety inspection capabilities, and so as the old adage says, ignorance is bliss. If you are not aware, if there has been no inspection, very intermittent, infrequent inspection, that is bliss because there are no adverse

reports.

My honourable friends, moreover, and this is not an adverse comment on the Minister of Health although for all I know he may deserve it, but for the moment let me just say that with respect not to the mental hospitals, but to the institution for the retarded, that there is a concern being expressed by the Member for Fort Rouge as to adequate levels of staffing. My Lord, Sir, the level of staffing for the care and treatment and custodial care of those in the Portage Home for the Retarded, and my memory serves me well on this, Sir, was in the order of 5 to 13, or to be precise, in the order of 500 staff to 1,300 patients at the Portage Home. For years and years that has, in the decade of the 1970s, been steadily reduced to the point where the staff to patient ratio is not 5 to 13, but in the order of 7 to 9, or to be in actual numbers, which is the more helpful, 700 staff to 900 patients, and if that isn't a substantial improvement in staffing and hopefully what approaches adequate levels of staffing and if that doesn't suffice, then how does one describe a ratio of 5 to 13, which existed for so many years. But, of course, maybe perfection will always elude us, the present or any other government, but let them not pretend that they are somehow in a position to cast stones.

Now the Minister of Health should not be completely disinterested in the measure that's before us, this Succession Duty and Gift Tax Act repeal, because, while some may say it is only \$5 million, but indeed it is \$5 million of *bona fide* receivable revenue which will now be lost. My honourable friends may call it a nuisance tax, but, Mr. Chairman, \$5 million will provide \$5 million of important, necessary services to those in this province requiring it, and it need not have anything to do with that which my honourable friends like to complain about, namely, those in our society who they allege are insufficiently imbued with the work ethic, who are taking advantage of the welfare rolls, and so on. We are talking about mental hospital services, we are talking about the custodial institutions with respect to the mentally retarded. I can say in advance to my friend the Minister of Health that if he has not yet had an opportunity to see what kind of legitimate *bona fide* pressures there are in his department with respect to funding for services that even the most conservatives would have to admit are essential in our society, and for those who are afflicted in our society, then he will be into that up to his ears in the course of December, January and February. And this measure here is a direct competitor to his obligations.

**MR. CHAIRMAN:** Order please. I'm going to ask the Committee now to let's get down to the Bill, and deal with Section 59 2(a) by adding thereto, immediately after the figures "1971" in the 2nd line of clause (a) thereof, the words and figures "and before the 11th day of October, 1977."

If the committee wants to stray all over the place and wander, I'm your servant, I'll sit there and listen, but I think that we should get back to the subject matter that is before us and that's Section 59 2(a) of the bill. Confine the debate to that section, if you possibly can, members.

**MR. PAWLEY:** Mr. Chairman, possibly a statement from the Minister of Health and Social Development would assist a great deal at this point, in view of the information which was revealed earlier this morning, and in view of the obvious fact that there is a problem with revenue and a shortage therefore of developing services to the mentally afflicted.

**MR. CHAIRMAN:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Chairman, this bill has very very little, if anything, to do with the current year's funding. Mr. Chairman, the implications of this bill with regard to the specific problems that are being raised here can have no direct relationship to the extent that the members opposite are trying to imply. This bill, in the total picture, Mr. Chairman, is not directed, and is not the vehicle for which to take into discussion the problems of one specific issue in health care, education or one of the multitude of other areas that any person might wish to select. This bill deals with the overall picture.

The First Minister, last night, took great liberty and I think was accorded great liberty and I think he should have the opportunity by virtue of the fact that he has a great deal of experience in this field and he has been the First Minister of this province, and we listened to him and we listened to him attentively last, although it was a very wide-ranging debate, his points were well taken. But Mr. Chairman, to now use a section of this bill to try and get at a specific item, it's just not within the bounds of what normally goes on in dealing with the items of a committee sitting for third reading.

So, I repeat, Mr. Chairman, I believe you are on the correct course in attempting to keep the committee on on this, it's not a case where another minister has to rise and make a statement regarding something that is not related to the bill. At least, certainly, if it was related it is so indirectly related that it should be ruled out.

**MR. CHAIRMAN:** Order please.

Just for the benefit of the committee members, would you refer to Rule 64. The rules shall be observed in a committee of the Whole House insofar as they are applicable except the rules at the second reading motions, limiting the number times of speech. Speeches in a Committee of the Whole House must be strictly relevant to the item or the clause under discussion.

Now I hope the members understand the rules and if you want to stray from them, I can't do anything about it. I'll sit here and chair the meeting as best I can, but I hope that you will try, if at all possible, to stay within the confines of the rules and the bill that's before us.

The Honourable Leader of the Opposition.

**MR. SCHREYER:** Well, Mr. Chairman, I don't know if you'll find this helpful, but it would seem to

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me, Sir, that a realistic interpretation of the rule that you have just cited would seem to indicate that it is not open at this stage to deal with every conceivable activity of government, and I am in that sense agreeing with you, Sir. However, I hope you will permit me to comment by way of this point of order on the statement made by the Minister of Finance.

My comments yesterday, quite apart from whether or not he agrees with the substance of what I said, I was not straying from the rule which you have just cited, I was dealing with taxation and I was dealing with investment, the two are intertwined. Indeed, in the opening statement words of the Minister of Finance, himself, the two are intertwined, so that it is irrelevant to suggest that my comments last night, or to imply, that they deviated from the rule.

Now this morning is a different matter, Sir. A matter to do with health services has come up, and while in one sense there will be a very direct impact on levels of institutional care services by virtue of deletion of revenue, nevertheless, if one used such a broad interpretation, then I would have to confess that literally any branch or activity of government would be debatable at this stage, and clearly that would make the affairs of this House unmanageable. So I for one shall desist from any further comment with respect to once removed activities outside of the field of taxation and investment property.

**MR. CHAIRMAN:** I thank the Honourable Leader of the Opposition. The Minister of Health on a point of order.

**MR. SHERMAN:** Well, Mr. Chairman, my point of order is that . . . perhaps it's a point of privilege, I do not want to leave the impression in the mind of the Honourable Leader of the Opposition, or the Member for Selkirk, or anyone opposite, that I am not prepared to defend the position that we are in at the present time. That is my point of privilege. I simply don't want to leave the issue that has been raised and now given some considerable airing, hanging on one end of the scale.

I don't want to violate the rules of the House, or trample any directives that you give, Sir, I'm in your hands, but I want to assure the Honourable Leader of the Opposition and his colleagues that I am not reluctant to comment on the issue that has been raised and I'm not attempting to avoid it. I will have, obviously, to abide by the rulings of the Chairman.

**MR. CHAIRMAN:** The Honourable Member for St. George.

**MR. URUSKI:** Yes, Mr. Chairman, I hadn't intended to get up in this debate but I thought that I would get up for a few minutes to try and relate to the members of this House the manner in which the issues that were raised this morning relate very directly to the bill before us, and the strategy of the Conservative Party in the House this session. And while I don't know what attitude the members of the government bench will take, but it seems that . . .

**MR. CHAIRMAN:** Order please. Is the honourable member speaking on a point of order, or a point of privilege, or is he speaking on the bill?

**MR. URUSKI:** I'm speaking on the bill, Mr. Chairman. Mr. Chairman, what I'm getting at is that the Conservative Party, in terms of their economic promises of tax cuts, are really relating . . . and there is a very close relationship in terms of the tax cuts and the issues raised this morning about the staff in the various health institutions. As an example — not as a specific but as an example — it appears that the Conservative Party is following a strategy which has been prepared for them, or if not for them for their consideration by one David A. Young in the early part of last year in a document called "An Essay on Bureaucracy".

**MR. CHAIRMAN:** Order please. Order. I remind the members again, we're straying all over the place. I would hope that the Committee will debate Section 59 2(a) and we're discussing the figures, whether it's 1971 on the second line and before the 11th day of October, etc., etc. That's the subject that's before the Committee, Section 59 2(a), and unless members are going to deal with that, I'm going to have to call you out of order. Otherwise we'll be here for weeks the way we're carrying on this morning. I hope the honourable member will take some heed from what I'm offering and let's get back to the business of the House and this Bill 3, please.

**MR. URUSKI:** Mr. Chairman, I accept your comments in this way. The section particularly as I understand it reduces the revenue of the provincial government as of October 11th, and I am relating my comments directly in terms of the reduction of revenues as it relates to the reductions of staff. And the document that I am using . . .

**MR. JORGENSEN:** . . . type of debate. I know, as has been pointed out, there has been a considerable latitude allowed on second reading of this bill, and there will be considerable latitude — I presume the same latitude — allowed on third reading of the bill. The Leader of the Opposition, himself, said when he began his remarks last night that he had originally intended to save those remarks for third reading and I tell him now that they were more appropriate for third reading of the bill than on this particular clause. And I appreciate the fact that you permitted him that latitude.

The remarks that are now being made by the Member for St. George, I think are remarks that could

very well be made on third reading of the bill, which will be coming up very shortly, we hope, and then the same latitude that was allowed on second reading will be permitted. And if my honourable friend wants to stray somewhat from that particular clause, then he will have the right to do so on that occasion. But I agree with you, Sir, that on the very narrow clause of this bill, allowing that kind of debate is not in accordance with our rules.

**MR. CHAIRMAN:** I thank the Honourable Government House Leader. The Leader of the Opposition.

**MR. SCHREYER:** Mr. Chairman, I don't know if this would sit well with all, but so be it; the fact of the matter is, Sir, that clearly at committee stage of a bill unless we do deal with the principle subject matter — and there is only slight disagreement between myself and the House Leader on this — we are dealing with taxation or related investment matters, I believe it is relevant and permissible under the rules, even in committee stage.

I do agree with the House Leader, however, that to deal with subject matters of a wide-ranging kind one step or more removed from the subject matter of the bill does make the process of committee stage unmanageable and does make your Chairing of it rather unmanageable, difficult, to say the least. And therefore I would re-enforce the House Leader's remarks that with respect to these rather one or two step removed matters, however important they may be, that it is much more appropriate to deal with it at second and third reading stage rather than the Committee of the Whole. I would ask all to co-operate that we do not make the proceedings of this House unmanageable for the Chair.

**MR. CHAIRMAN:** I thank the Leader of the Opposition and I think if the Committee can follow the guidelines that were laid down by the Leader of the Opposition and the Government House Leader, that we can carry on the business that's before us and deal with it rationally, and the wide-ranging debates — some which we have had this morning — can be carried on at third reading of the bill. I thank the two members for their guidance.

The Honourable Member for St. George had the floor last.

(The remainder of Bill No. 3 was read section by section and passed.)

The Honourable Member for Brandon East.

**MR. EVANS:** I believe it's in order at this stage the bill be reported, that members can get up and talk about the bill in its entirety, and its implications, and make other comments as they see fit — general comments on this bill. This is my understanding of it. That is on the report stage of the bill, from the Committee.

At any rate, then, Mr. Chairman, I'd like to make a few remarks without duplicating anything that I've said earlier in the second reading of the bill. I would say that, generally speaking, that the government and the Minister of Finance and his colleagues, in bringing in this piece of legislation, made a number of what I would consider to be very fallacious arguments upon the effects of this particular piece of legislation; and they have made a number of fallacious assumptions as well, as to the impact of this particular piece of legislation on the economy of the province of Manitoba. And in the debate on this particular bill it has ranged all the way over from the reference made by the Minister of Industry and Commerce as to the actual amounts of money, or dollars leaving the province, right through to statements made by the Minister of Finance, or implicit in his statements, that somehow or other these funds are very critical to levels of investment in the province.

Before I proceed, Mr. Chairman, I think many references have been made to the nature of the research that has gone on in the Department of Industry and Commerce with regard to the so-called "flight of capital" and I think my original observation was correct, that indeed the minister had been looking at a piece of paper that was based upon Mickey Mouse research. And in view of the fact, I would like to present to the Minister, at this time, a beautiful Mickey Mouse folder in which he might wish to keep this particular document, along with an illustrated example of the flight of capital, a Mickey Mouse illustration of capital flight. So I'd like this delivered to the minister and if he doesn't want it he may wish to give it to his colleague, the Minister of Finance, or if the Minister of Finance would like a copy we would also get him one, if he wishes. So if the page would like to deliver that in due course, that would be very good.

Mr. Chairman, I was saying that there were a number of fallacious arguments and statements made in this debate, and not only statements made by the Minister of Industry and Commerce on the so-called "flight of capital" but also the argument that has been put forth that somehow or other that succession duty moneys somehow or other will affect the level of investment in the province of Manitoba.

This, without doubt, is a fallacious argument. It does not hold water. And I think the Leader of the Opposition illustrated this very clearly and carefully yesterday evening in his reference to investment patterns that have occurred in Manitoba, not just in the last few years but in the last couple of decades. He very well documented the case that investment patterns in this province do not have any bearing . . . or rather the succession duty level in this province, or the existence or non-existence of succession duties in this province has really no bearing whatsoever on the level of investment. Therefore I say, Mr. Chairman, that this argument that has been put forward by the Minister of Finance when he introduced this bill simply fallacious.

As a matter of fact, the bulk of the development that has occurred that I can recall in the last year in the field of manufacturing has been by companies who have brought capital from outside of the province, whether you're talking about Sperry Univac, or Winpak, or GWG, or what have you, or Phillips

Cables in wire and cable in Portage, and so on.

Most of these companies that I can recall have been financed if not entirely almost entirely by capital supplies that they themselves have generated or have available within their corporate structure. And to assume somehow or other that these funds that may be affected by this particular Act, by succession duties, somehow or other have a major bearing on investment and the generation of jobs in Manitoba is simply not true.

I say, also, that it's nonsense to assume that these funds somehow magically would stay in the province if you assume for a moment that there are some dollars leaving the province, whatever amount. It is not true to assume that such funds, even though they may be deposited with a trust company in the province of Manitoba or an investment company or any other financial institution in the province of Manitoba, that that financial institution in turn would take those funds and invest them into industry in this province.

There is nothing preventing a financial institution from taking those dollars and using them for North Sea oil development, real estate in New York City, some development in Alberta, British Columbia, or goodness knows where in the world. And it's simply not true; it is simply nonsense to assume that these funds that we're speaking of will somehow magically find their way into investment.

I'd like to suggest, Mr. Chairman, that there has been for many decades now no shortage of capital in Manitoba. Manitoba's problem . . . Because the Minister of Finance did relate this Act to the level of economic development and the rate of growth of this province, and in reply to that concern of the minister — which is a legitimate concern and I share that concern with him, about the adequacy of the rate of growth — that you cannot assume that this is going to have any bearing whatsoever on the problems that we've had in inadequate rates of growth in this province for some considerable time, and particularly in the 1960s. If we had any problems of growth in recent years, it has been in the sixties compared with the seventies. And again that has been documented earlier in these debates.

There is certainly no shortage of capital in Manitoba. If there were further opportunities, capital would flow in, just as capital flows into Alberta because of oil and gas resource potential, so money would flow into Manitoba. Capital would flow into Manitoba as it did in the first decade of this century. In the period 1900 to 1914 there was a fantastic influx of capital supply into the province of Manitoba for a good reason, because Winnipeg and Manitoba was the beginning point of the vast development that was occurring in the prairie region of Canada at that time. There were resources to be developed, markets were growing and, generally speaking, there were reasons for capital to come in. There was a net influx of capital into Manitoba at that time. And if we're concerned about the supply of capital, I say be more concerned about the resource base that you have to deal with, be more concerned about the market situation. In fact, we could even be concerned, if we might, with climate indeed but not psychological climate. I suggest physical climate is probably a much more damaging type of climate, and a more inhibiting type of climate that we have to deal with in terms of investment levels in the province.

The Leader of the Opposition last night very well documented the historic levels of investment in the past couple of decades. I just might add as a footnote to that, Mr. Chairman, that actually I believe that the reference to the private investment levels is perhaps . . . And the numbers that are shown as private investment is perhaps overstated as a private component of investment, because the private investment, as I read it in those figures, includes MDF loans; and MDF loans were secretive in the 1960s. We could not, the members of this House, the media, the public of Manitoba, were not privy to any investment by the Manitoba Development Fund. In fact it was illegal to have any knowledge or for any knowledge to be given as to what the MDF was doing. It was shrouded in secrecy. And a great deal of what was supposedly private investment in the sixties was really investment dollars that was provided by the Public Treasury through the medium of the Manitoba Development Fund.

The Manitoba Development Fund, in effect, provided these dollars and what you had really was disguised public investment which does appear in statistics as private investment, but which was really disguised public investment.

At any rate I'm suggesting, Mr. Chairman, that obviously we cannot accept, if we're going to run governments soundly and make the right decisions, we have to be very careful in the assumptions we make; we have to be very careful in the estimates that we make. We've said we can't afford Mickey Mouse estimates of supposed flights of capital, and at the same time I suggest we cannot make any Mickey Mouse assumptions as to what happens with these funds.

The mention was made earlier in the debate to the unfortunate consequences of reductions of sources of revenue by the government and I think a good example is and has been referred to but I refer to it also as an example of, and it is only an example, of what one could do with such funds. The example has been put forth that one could use these funds and ensure that the level of treatment at the Portage Home is maintained at an adequate level, that one could use these funds to ensure that the level of treatment at Selkirk is going to be maintained and not allowed to deteriorate.

Likewise, at the Brandon Mental Health Centre. As I heard the Minister of Health this morning, Mr. Chairman, if I heard him correctly, he said, for example, there were 636 people employed at the Brandon Mental Health Centre of which 359 were not bulletined and that the policy was to allow the non-bulletined vacancies to not fill non-bulletined vacancies. So what this means then in effect is that as vacancies occur in the non-bulletined level that potential — I don't know whether that would ever be reached — but a potential of 359 jobs would be lost in Brandon, at the Brandon Mental Health Centre, that's how I would interpret his statement.

**MR. SHEAN:** On a point of order, Mr. Chairman,

**MR. CHAIRMAN:** The Minister of Health on a point of order.

**MR. SHERMAN:** My point of order is that that's a misinterpretation of the statement. There is no — (Interjection) — Well, it may not be a point of order, then it's a point of privilege.

I don't feel and I don't fault the Honourable Member for Brandon East for his interpretation, but I want to advise the committee that it is a misinterpretation. I said precisely that the mechanism employed by government through Management Committee is established and is working to ensure precisely that that does not happen.

The routine procedure has always been that term employees could move from one staff-man-year position to another — in other words, to fill a permanent vacancy. And if special measures are required to ensure that that procedure is followed, that's precisely what government through Management Committee is dealing with right now to ensure that those institutions are protected.

**MR. CHAIRMAN:** . . . the members I fail to find that a point of privilege. The Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Chairman. Well, as I said I am trying to discuss the general impact of this bill at this report stage and I have made various comments about the impact of the bill in the economy. I'm looking at the other side and I use this as an example because it was a pertinent relevant example, a current example, and I'm still not certain — and perhaps we will get better clarification as we go — but I'm still not certain as to the government's position in the matter. I'm not doubting his word for one moment, but it's a matter of clarity. And again I refer to this as an example, that here we are giving up what amounts to about \$5 million — it may not seem like a lot of money to some people in the total spectrum of things when you're dealing with a budget of over \$1 billion but nevertheless at a time when the government and my colleagues opposite me here tell me they are going to restrain, they're going to save every nickel possible, I say at the same time you should ensure that you do not give up any revenue, that the sources of which can afford to provide this revenue to the Treasury of Manitoba.

And I say therefore it is very unfortunate that if given the government's desire to cut down and to balance budgets and to give away funds that we're going to be faced with what seems to me to be some type of the reduction in staff at the mental institutions, I can't for the life of me understand what else will happen. The staff will not certainly increase. We won't have more people at the Portage Home servicing those people; and I can't see adding to the staff at Brandon or Selkirk. What I can see happening by your decision to allow term positions to lapse, in effect, that there is going to be a diminution, a reduction, in staff and if I add up these figures it looks to me that there is a potential. I'm not sure whether the government will go this far, but there is a potential given this policy of not filling term positions of 1,119 layoffs, 1,119 layoffs in the province over a period of some months, maybe a year or so. That's the potential because those are the numbers of term positions which, as I understand the policy, are not being filled.

So I think not only is it disastrous in terms of the people that are being cared for at these institutions, but it's going to be disastrous for those persons who are now employed or potentially employable in those communities, Portage, Brandon and Selkirk.

And one could use other examples of how \$5 million may be well spent in this province on behalf of the public in a very good way.

I just want to conclude, Mr. Chairman, with the observation that really this bill and the motivation of the government in this bill seems to me based on a real commitment to somehow or other alleviate the tax burden on the wealthier people of the province, and I think that's really unfortunate.

I think that it's based on a blind ideological approach and I really think that the government's continual reference to spending by government being somehow bad or barren is false and also based upon blind ideological thoughts or imaginations in this matter; because the fact is government spending can be most positive in the case of the Brandon Mental Health Centre or the Portage Home for Retardates or the Selkirk Mental Institution, here are examples where government spending is required, where government spending is needed, government spending is not barren.

And frankly I think it's going to be, in the long run, either the government of the day is going to have to rethink its ideological position on this or take off its ideological blinkers or else the province of Manitoba is going to face even more economic disaster in the year or two ahead than I think we're going to be facing. Because the fact is that if you look at the historical development of this province — you only have to look back a couple of decades — you'll see where government spending in this province has acted as a very positive stimulus to the provincial economy, and it has, in effect, been something of an engine of growth or an instrument that has stimulated growth. And if you are now going to reduce the presence of government; if you are now going to reduce its ability by means of bills such as Bill 3 whereby you are curtailing the amount of potential revenue, then you are going to contribute to unemployment in years ahead and you're going to contribute to a slowing down of the rate of economic development of this province. And at the same time the people — I mean it's easy to say that — but at the same time there is going to be a lowering of the standard of living of the people of this province; and at the same time there are going to be some people who are going to be very badly hurt. And the people who are going to be hurt are the people who can least afford to be hurt, whether they be the mentally retarded or the people with emotional problems, whether they be the elderly — I'm just waiting for the cuts in the field of the aged — or whether they be in other areas of social need and social welfare, because there is no question in my mind that given the government's determination to carry out what it

has stated it's going to carry out, that these people, the people who can least afford to be hurt, are the people who are going to be hurt.

We've had an example this morning. And I say it again, this is an example — I'm talking about the general bill, the principle of the bill, the bill in generalities — but I use it as a very good example of what is going to happen in this province, what is now happening in this province, and that is a deterioration in the services to the mentally and emotionally handicapped. And I say that the people of Manitoba cannot afford this approach and the government of Manitoba cannot afford to continue this approach, and it is a sad day that we have to sit here and discuss a bill that is going to curb the ability of the government to obtain revenues, revenues that are badly needed from those people of this province, and just a handful that they be, to contribute to the people of this province who are in need and in effect who have a hand that is out there and these people are reaching out and who should be responded to in a positive fashion.

And I say, therefore, that I would hope that the government would reconsider. I know it will not. I know they will use their majority and pass it, but I say again that this is a very very disastrous example of things to come.

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

**MR. PAWLEY:** Mr. Chairman, I would like to just say a few words in connection with the reporting back of this bill.

I think that many of us did wonder, as did obviously a columnist for the Winnipeg Tribune a few short weeks ago, as to what the other side of the coin would show to Manitobans. . .

I recall in that column there was a suggestion that we would have to wait until next spring before we would know what the other side of the coin was to indicate. What the other side of the coin would indicate is the price for tax cuts including this particular one that is before us this morning.

I know that most of us on this side thought that it would probably be a diminution of services insofar as the aged were concerned, insofar as the Property Tax Credit Program; any other number of services would probably be part of the price.

I know that I for one never for a moment, until only a few days ago, when I began to receive some indication from my own independent sources that there was something afoot insofar as the decrease in services to those who were mentally retarded and mentally afflicted in our institutions. And even at that time, Mr. Chairman, I must tell you that I was somewhat reluctant to pose the questions that I raised yesterday thinking that it was based more on rumour or speculation rather than substance.

Well, Mr. Chairman, unfortunately we are now beginning to see a little bit, just a beginning, of the other side of the coin.

Mr. Chairman, there is just no way, no way that I can nor members on this side vote in support of a measure which would reduce revenues to the province of Manitoba if part of the price for that reduction in revenues is to cause those that are mentally sick, those that are retarded in our institutions, to pay a portion of the price. There is just no way in conscience and I would hope that honourable members across would share. I do feel that the Minister of Health and Social Development would be the last, I think would be the last as an individual, that would want to see the services to mentally afflicted and the retarded decreased in any way, shape or form.

Mr. Chairman, it is my information that there have already been some terminations that have taken effect. And what the honourable member has indicated this morning I am unable to give at this point too clear an interpretation as to what the impact of the announcement is. All that I can safely say at this point, that I interpret the answer, the report which I appreciated his returning expeditiously to this House, was that there would be some reduction in staff. To what extent I don't think he is able to indicate at this point, nor are we here, but certainly some decrease in staff.

There is to be some decrease in services to those that are weaker than ourselves in society, in order to fulfill the desire at all costs to meet election promises to substantiate tax cuts to those that are wealthy in our society.

Mr. Chairman, I am concerned about those that have for many years — because I understand that there are a number that have spent a number of years in providing services to those that are mentally sick in our society — that are concerned about their future positions in continuing to pay to provide vital services. To throw such employees into the midst of those that are unemployed at a time in Manitoba's history where I believe we have the highest unemployment rate that this province has experienced in many many years — I haven't had the statistics to examine year by year but I think possibly it goes back to the forties — that there has been such an unemployment rate percentage as what we are now experiencing in Manitoba.

It's certainly not the time to, in order to meet the cost of revenue reduction insofar as inheritance and gift tax is concerned to, on the other hand, to reduce the number of those that are providing services in our institutions, our mental institutions, and in our institutions pertaining to the retarded. It's not the time, in fact, it is never the time. Our society is missing something. Yet, in order to obtain additional revenues, in order to meet commitments made during an election campaign, those that are among the weakest in our society, those that are unable to speak effectively for themselves, those that have very little future to look ahead to, should find themselves, because of hasty or cold decisions, pay a price which only adds and contributes furthering to the burden which they already must carry within this society of ours.

So, Mr. Chairman, at this particular point, dealing with the reporting back of this bill, when we are

dealing with concessions which will provide substantial sums of money to those in our society who already do have much, I think we ought to pause and reflect for a moment before reporting back this as to what groups in our society will be called upon to pay the price. If it is those within our society that are able to, that are young enough and healthy enough and prosperous enough to pay the price, Mr. Chairman, then I have no problem in reporting back this bill but if it is to be those that are ill, if it is to be those that are aged, if it is those that are weak within our society that are to pay the price, then, Mr. Chairman, I must in all vigour oppose the reporting back of a bill which would introduce into this province such an indecent measure at this time.

**MR. CHAIRMAN:** The Honourable Member for St. George.

**MR. URUSKI:** Thank you, Mr. Chairman. I wanted to take part at this time in the debate as I did not speak in the debate earlier and make a few comments with respect to the bill before us and how it relates in terms of the actions of the Conservative Party in terms of the recent revelations over the last few months of staff reductions in the civil service and of late the contemplated staff reductions in our health institutions.

I think the Conservative Party here in Manitoba although they — and I would like to hear from them — may deny and I'm not at all certain, they are following almost to a letter a portion of a document that was prepared — I am sure if not for them for discussion or for their consideration — by one of whom I am sure would be considered as an advisor from the outside or wherever he is from by the name of David A. Young. I know he was their advisor on energy matters and on hydro matters and he wrote a . . .

**MR. CHAIRMAN:** The Minister of Finance on a point of privilege.

**MR. CRAIK:** Mr. Chairman, on a point of privilege, the member has now confirmed what I think he said earlier when he was wishing to speak on this before that the document in question by the author in question was a product developed for the Conservative Party. Now this has been dealt with before publicly by the First Minister. The document that the member is now going to attempt to get into is not a document prepared for the Conservative Party any more than the former candidate for the presidency of the NDP, Mr. Nick Ternette, speaks out on the issues with regards to his interests. We don't make this suggestion that he's speaking on behalf of the NDP. The document in question that the member is about to use, let me tell him, since he's now confirmed that he tends to attribute it to the Conservative Party, it is not a Conservative Party document, was not prepared in any way, shape or form for the Conservative Party, it was prepared as much for his own edification as for anyone else's.

**MR. CHAIRMAN:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Chairman, on the point of order, I accept the clarification that David A. Young and Nick Ternette are speaking in the same type of categorization.

**MR. CHAIRMAN:** The Honourable Member for St. George.

**MR. URUSKI:** Mr. Speaker, I'm glad the Minister of Finance indicated that but I want to say that whether it has been prepared for the Conservative Party or not, I want to indicate that it certainly appears that at least certain segments of that document are being implemented possibly, and I would say probably not by the knowledge of most members there, especially not by the knowledge of one, the Minister without Portfolio in charge of the Task Force, because that minister in this document — and I think over the months the facts will be borne out — that he will be done away with. That area and that task force of course will be done away with and I will want to go into that at a little bit of length, Mr. Chairman, in terms of the bill before us, in terms of the Conservative Party move to reduce taxation in their pledge that they made during the election and as well with the staff reductions.

I would like to, Mr. Chairman, the document that I indicated that I am going to be quoting from in terms of what I believe is being used by the Conservative Party whether the document was prepared for them or not, I accept the words of the Minister of Finance. If it was not prepared for them, someone certainly has read it on that side and is certainly making use of it and the document was called "An Essay on Bureaucracy" prepared by David A. Young in January of 1976. On Page 29 of the document that the strategy of the party in power, when they come into power, should be in four elements.

First, the elected representatives should cause the senior echelon of the civil service to reduce bureaucratic staff by 25 percent across the board and this would be achieved by withholding authority and money from the senior echelon until the desired staff cut was achieved.

The second element, Mr. Chairman, of the strategy is a tax cut. Taxes should be . . .

**MR. CHAIRMAN:** Order please. The Minister of Finance on a point of order.

**MR. CRAIK:** I believe that the document is a valid reference provided it deals with the bill in question. I'm talking about, if the document deals specifically or directly with the Succession Duty Act, that's fine, it's a valid reference. If it doesn't, if it's with something to do with staff cuts and other issues, it's not related to this bill.

**MR. CHAIRMAN:** The Honourable Member for Inkster on a point of order.

**MR. GREEN:** Yes, on the point of order. The honourable member will appreciate that any time a tax measure is brought in to increase revenues, that members are able to speak of all of the waste and mismanagement of the government and when a tax measure is brought in to reduce revenues, members are entitled to speak about any matter which is affected by the reduction of revenues, therefore, the honourable member, in my submission, is completely in order. I ask the Honourable Chairman to consider that when a budget is brought in to increase tax measures and one can go to several such instances in the past, that members of the opposition were entitled to take any subject on which the government is spending money and show that, in their opinion, this money need not be spent and therefore the taxes need not be raised.

**MR. CHAIRMAN:** The Honourable First Minister on the same point of order.

**MR. LYON:** On that particular point of order, following my honourable friend's pristine logic, would it not be equally the case then, if his argument is as persuasive as he would have us believe, that we should at this stage then be debating all of the other measures which have caused the government and the taxpayers of Manitoba and the treasury of Manitoba to lose money, such as FlyerCoach, such as the inherited deficit of \$129 million which bears more upon the financial state of the province than this particular bill and so on. Now if my honourable friend is saying that, then he's saying that you can discuss everything under one particular bill and I suggest that if he reads Beauchesne, he'll find that that kind of logic will lead him into a debating swamp out of which even he couldn't emerge.

**MR. CHAIRMAN:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Chairman, to the point of order, I suggest to my honourable friend that debate is controlled in two ways. One by the rules and one by common sense. Yes, the items that he brought up can be debated. I rather expect that the members opposite would prefer that they not be debated but that's the only reason that they are not within the rules. We are debating a measure to reduce the revenues of this province by \$5 million. The honourable member is showing what is the effect of that reduction and it's perfectly in order and if he can make his points in such a way as to be effective, that's the purpose of the debate. If the honourable member says that that would open the door to all kinds of things which would be ineffective, I would expect that members would be governed by common sense in that respect.

**MR. CHAIRMAN:** I thank the honourable members for their contributions on the point and again it is a difficult line for us to follow in the committee. The motion that is before the committee is that the bill be now reported and I leave that to the committee members and hope we can follow the guidelines of the bill that's before us.

**MR. URUSKI:** Thank you, Mr. Chairman. I'm very pleased that the members opposite feel, maybe some of them feel kind of uncomfortable with respect to the document prepared because I am going to attempt to show, as has been indicated, how it directly relates to the strategy that the Conservative Party is now employing in the province of Manitoba in dealing with the tax measures that they have promised. I said the first strategy was again to reduce the staff of the Civil Service and the second element of the strategy is to use a tax cut.

I will go on to quote from Page 29, 'Taxes should be sharply reduced on the same day that staff cut proposals are delivered to the senior echelon of the Civil Service and to the public. This would have the effect of reducing the public criticism of the staff cut and would also countervail against the modest economic imbalances brought about in certain districts and communities by the sharp reduction in employment caused by the staff cuts. Tax cuts should be designed to take effect in lock staff with staff reductions.'

Mr. Chairman, the third strategy. 'This would have the effect of reducing public criticism to the staff cuts and would also countervail against modest economic imbalances brought about in certain districts and communities by the sharp reduction in employment caused by the staff reduction.' That is—I call it a very crass and sinister and maybe a non-admitted move by the Conservative government, or at least non-acknowledged, that they have any part of this document and I take their word for it. But it certainly, Mr. Chairman, gives one the impression that they are employing this document in this section particularly, completely.

Mr. Chairman, I go on to quote, "As a third element of strategy, senior staff members should be removed and replaced. This should be done swiftly and ruthlessly and there should be no exceptions. Indeed, it would be prudent to dismiss a few at the outset to encourage the others. In the event that a strike emerged, it would presumably affect only the two junior echelons of the bureaucracy. Part of the third element of the strategy would be to break any strike which occurred. Various strike-breaking devices can be used. These are treated under tactics below."

"The fourth and final element of strategy is to provide broad latitude of authority to senior staff to recognize the trimmed and reduced bureaucracy and to provide incentives to build morale in all echelons so that the task confronting the government can be achieved with efficiency."

So, Mr. Chairman, when you announce the tax cuts, you have to be as ruthless as you can to cut the staff so that in the public's mind, they say well, they did those tax cuts and you know how they did it? They cut out a whole bunch of staff and they could achieve that. If you take that argument to its logical

conclusion, you would save yourself — what are the staff costs in the province of Manitoba, \$165 million, something like that? Cut out all the staff of the public service and give no service to anybody and see what kind of tax cuts you would be able to employ. Mr. Chairman, the minister — and I'm sorry that he's not in the House today — that should really be walking around with his back against the wall is the Minister without Portfolio II, the Minister in charge of the Task Force. That minister in the next few months will really have to watch himself and I will go on to show how the Conservative government is now implementing and has implemented up to now this document in this section.

"The proposed strategy relies," — and I go on to quote from Page 30, "The proposed strategy relies heavily upon the senior echelon of the bureaucracy for management and execution. Only the key elements of policy would be designed by the elected representatives. They would choose the magnitude of reduction to be achieved in general and would approve in particular a schedule of percentage cuts prepared and recommended by the core group dealing the extent to which particular departments should be reduced. That core group headed by the co-chairmen and one private sector co-chairman and one ministerial co-chairman." I really don't know who has the authority in that group being that normally in terms of authority in government, a minister should be responsible but in this case, a minister is co-chairman. He would have equal authority or actually no authority with the private sector co-chairman of that group. "The elected members would also rely for staff work on the core group and would place in the hands of the core group authority to dismiss any bureaucrat from any department or agency at any level below that of Chief Executive for failure to comply with instructions and orders issued by the core group. The core group would present the schedule of staff reductions to senior executive officers along with an Order-in-Council signed by all members of the Executive Council authorizing the proposed reductions and simultaneously, the core group would outline to senior executive officers the procedures for resignation and the conditions under which senior officers would be dismissed."

I would like to go on to quote from Page 31. "The core group would continue to supervise the staff reductions and would aid and assist in the process of removal and replacement of recalcitrant senior staff officers." Boy, that word even goes beyond my twisting of the verbiage. "When the reorganization was completed, after perhaps ten or twelve months, the core group would be disbanded." — (Interjection) — Well, that's all right. I don't mind saying that I can't pronounce it very well. "Throughout the exercise, it would be made clear that the policy was approved by all members of the Executive Council and that no member of the Executive Council was empowered to argue against or change any element of the plan. All authority would appear to rest with the core group, created by fiat of the Executive Council. Among the senior administrators most of the anger and frustration resulting from the unpopularity of the policies would be focused on the core group, which would be disbanded, and the reorganization was completed." — (Interjection) — Including the minister, Mr. Chairman. It is almost like a secret service movie of — (Interjection) —

Mr. Chairman, this is the strategy of the First Minister — and I can only say of no one else — where he has his previous partner and his defeated colleague for the leadership, he has set him up very nicely in terms of the new greatest task that this new government has had to perform. He has set him up and said that you will be my right arm in terms of dealing with the staff cuts, the tax cuts, and the staff reduction.

Then, when the dirty work is done, that's it; even the minister will disappear just like the tape in the movies and spy stories that you sometimes see on television. Mr. Chairman, that is a very . . . And it certainly is apparent by the comments made by my colleagues and the revelations made by my colleague, the Member for Selkirk, in terms of the staff reductions that are contemplated. And this is just the beginning. In the health institutions of this province — those same health institutions that during the campaign the Leader of the Opposition said there was not enough staff to deal with those who were disabled and unable to look after themselves at those institutions that caused the fire, the same type of argument that the Premier made during the campaign and said that this government and ou t fit to be in office. Now that same First Minister is allowing the staff cuts and his Minister of Health is sitting idly by. If I was that Minister of Health, I would resign. I would resign from this government if a First Minister of that government went out on the hustings and said that the former Minister of Public Works was not fit to govern in that department, and not to provide the needed staff and the needed renovations to that institution, and now they are prepared to cut staff not by 10 or 20 but it appears by the entire — or at least move towards the entire — term staff of the Civil Service, who they want to do away with. — (Interjection) —

Well if that is rubbish, Mr. Chairman, I want to hear from the Minister of Health. We will see over the next few months as to whether or not this document that they so boldly denounced is not going to come true. And the people of Manitoba will know who, in effect, and what form of strategy they have employed.

The one that I feel sorry for is his colleague that sits on his right. He better walk around these corridors with his back against the wall, let me tell you. — (Interjection) — I know.

Mr. Chairman, the other individual in the group that certainly I feel has been co-opted is the President of the MGEA. I imagine that the government really had him, to a degree, against the wall. They said, "If you don't join us, you will have no input in terms of where your staff go." So then you must join them.

I am sure that the President of the MGEA is walking a thin line right now, because he doesn't know when to get off. I am sure that he is probably wondering when his neck will be chopped, when he will have to be part of a group that will make a decision. I wonder if he has been part of the group and

whether he has been informed of the type of staff cuts and strike-breaking tactics that have been suggested in this document, or even the staff cuts that have been suggested in those institutions.

Mr. Chairman, I have tried, during these remarks, to indicate that the strategy of the Conservative Party is certainly following this document with as close an accuracy as can be indicated — as can be portrayed by myself. That strategy, although they have denounced that document, I think will become more and more evident over the next few months. The manifestations of this document are quite evident in terms of how they have set up the Task Force and its role, or at least its purported role, the staff cuts that have appeared in the Civil Service to date, and the proposed cuts in staff in other institutions, the reduction of revenues tied with the staff cuts to make the public believe that you can reduce taxes and at the same time cut staff so that the two can be joined together and people will think: Well yes, the Civil Service is just too big and just too bloated, that we can cut a few staff and we will be able to get these tax cuts.

But who do these tax cuts affect? Who in my constituency, for example, or in the province of Manitoba — especially in rural Manitoba — do these tax cuts affect and who do they benefit? Almost no one, Mr. Chairman.

You know the only group that they have benefitted in terms of the succession duties, and I have to say that there is a group in society that have benefitted by having the succession duties. The group that has benefitted have been the insurance agents of this province. Those life insurance agents who went around the rural areas and talked to farmers and said, "Look, you'd better buy \$50,000, \$60,000, \$100,000 worth of life insurance because you are going to be swamped with paying estate taxes when you die. So you'd better have a lot of life insurance coverage on yourself, because you will not be able to afford to transfer that estate to one another."

Mr. Chairman, there have been agents all over the province peddling that kind of rubbish. What are they going to do now? What are those agents going to do now, when the Tory Party has taken away that good sales gimmick of those insurance agents who went around rural Manitoba and said, "Look, buy a lot of insurance because you will not be able to afford to pay for the estate that you will want to pass on. Cover yourselves very well." What are those agents going to use, now, for a sales gimmick, when there is not going to be an estate tax, to work on their prospective clients?

Mr. Chairman, that was a total fallacy perpetrated not only by the Conservative Party but by the insurance industry on many small business people, farmers, throughout the province. We know that the exemptions created by the past administration certainly left no hardship in the estate tax legislation.

As a matter of fact, the comments made by my colleague from Lac du Bonnet, when he read the section of the Act, said there would be unlimited time for payment if it was deemed a hardship on the individuals who were transferring the estate. But anybody knows that if they wish to transfer their estate they should do it within their lifetime and certainly with good advice from either legal or accounting advice, that that can be accomplished with no hardship in terms of the estate that they wish to pass on, if the estate at least reaches a half a million dollars, net, after all the debts. And I wonder, Mr. Chairman, in terms of the farm community, how many. I have not heard of one, although I have heard many comments, even from farmers who own one-quarter section of land, being worried because of the type of innuendo and mis-statements, not only by members of the opposition, that have been quoted around the province, but also by members of the insurance industry, in using a good sales gimmick in terms of selling insurance to people to cover off their estates.

Mr. Chairman, this bill challenges, I believe, all the equity of taxation that the New Democratic Party government tried to work toward and is now being eroded by the Conservative administration. And I believe that the document that I have quoted from is a very . . . I call it a sinister plan, a very callous manipulation of people by a group who purports to be the friend of the working man. And if, in the months ahead, it is borne out that the staff reduction in the homes providing health services to the retarded, or maimed, or disabled, are going to be cut, and the tactic employed — as it is being employed today — will be used, that the indictment of the Conservative Party in terms of the tax cuts that they have proposed will certainly be a black mark on the history of this province.

**MR. CHAIRMAN:** The Honourable Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** Thank you, Mr. Chairman. I will perhaps make a few comments at the report stage of this bill. I'd like to apologize for my voice. I've had a bad cold for the last couple of days but I'm getting back on track.

However, I think, Mr. Chairman, that the introduction of Bill No. 3 at this particular time, in my opinion, is very unfortunate. It's very untimely, as we have come to learn during this session, it is untimely and it is unnecessary. It is unnecessary in the tax structure of our provincial economy.

The government has used the argument that this will give some incentive to the higher income group in our province to reinvest and in some way this trickled-down philosophy will end up and create more jobs in our province. Well, it's a very nice theory, Mr. Chairman, but unfortunately, in spite of the fact that the private sector is very important, very important in our economy, it just doesn't work. And that is evident right across this country of ours. It just doesn't work and it's not working.

You have no assurance whatsoever that this windfall that you are giving back to the higher income people of this province will not end up in some unnumbered, or numbered, account in Switzerland in a Switzerland bank . . . —(Interjection)— My colleague says condominiums in Florida. You have no assurance that it won't end up in U.S. dollars.

It is not a valid argument to say that you brought this bill in to create more buoyancy in our economy.

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You have brought it in because it's a doctrinaire philosophy, a doctrinaire hangup that the Conservative Party has, and always have had. And I say to you, Sir, that never will so many have to pay more taxes for the benefit of so few, by what you are doing here today. You are currying favour to a few elitist friends, to a few higher income people, and what you are doing is paying back for services rendered. You are paying back for services rendered by some of your friends. That is quite evident.

Mr. Chairman, as my colleague for St. George has just mentioned, it will not help one person in my constituency and in many other constituencies in this province, because the tendency of this capital will be generally invested in metropolitan areas and not in the rural communities. So it will not help rural communities, rather it will work as a detriment. And it's just unbelievable that the Conservative Party will on one hand start cutting out on programs that do help rural areas, start freezing programs that are essential to our rural communities, and on the other hand start cutting taxes to the higher income people of this province.

I spoke to the mother of the nurse who was on duty when that tragic fire in Portage took place, and she was all alone trying to get people out of that building. And it's unfortunate there was so much bad publicity on the staff who were working at that time. And who was bringing the bad publicity? The people who are now sitting on that side of the House — the government of this province. They are the ones who were bringing the bad publicity on the staff.

Mr. Chairman, they will not cut out the major programs. They will not cut out the major programs that affect a lot of people because there will be a big reaction against cutting property taxcredit and reinstituting medicare premiums. What they will do is start cutting out those small programs throughout this province that affect people locally, at the local level, and that will only hurt rural communities. Thank you very much, Mr. Chairman.

**MR. CHAIRMAN:** On a point of order, the Honourable Leader of the Opposition.

**MR. SCHREYER:** In the absence of the House Leader . . . I see the House Leader is here now . . . It was to raise the point that if it's necessary, as the expression goes, "not to see the clock for two or three minutes" so that this measure, and I believe there's one other, could be cleared through this stage and third reading stage.

**MR. CHAIRMAN:** The House Leader.

**MR. JORGENSON:** If that's the intention of the opposition, then certainly we have no objections to that at all. d.

**MR. CHAIRMAN:** (Bill No. 4 was read clause by clause and passed.)  
The Honourable Leader of the Opposition.

**MR. SCHREYER:** May I, Mr. Chairman, be allowed to make the observation that quite apart from the substance of these bills, you will have noticed the dispatch with which the technical drafting has proceeded. One of the reasons for that, Sir, is because when it comes to that, we have, I'm sure we could all agree, one of the most competent legal draftsmen in Canada.

**MR. CHAIRMAN:** Bills be reported. Committee Rise. Call in the Speaker.

*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.*

**MR. SPEAKER!:** The Honourable Member in SESSION

**MR. MCKENZIE:** Mr. Speaker, I move, seconded by the Honourable Member for Swan River that the report of the Committee be received.

**MOTION presented and carried.**

**MR. JORGENSON:** Mr. Speaker, I wonder if it would be agreeable to the House to proceed with third reading of these bills at this time. (Agreed)

**MR. SPEAKER:** Before we proceed, may I just draw to the attention of the members that at approximately 12:45, in another 15 minutes, we'll have a small ceremony in the hallway outside my chambers, the unveiling of the picture of a former Speaker of this Chamber from 1966 to 1969, the former Member for Swan River.

**Bill Nos. 3 and 4, by LEADER, DREADING AND GOVERNMENT PASED. (On division)**

**MR. JORGENSON:** Mr. Speaker, having concluded this portion of business, we will be proceeding to Law Amendments Committee this afternoon. The Committee will be sitting this afternoon and this evening. If I understand the arrangements that have been made, correctly, it is the intention to sit tomorrow as well.—(Interjection—No, the Law Amendments, just those members who are members of the Law Amendments Committee will be sitting.

**MR. SPEAKER:** Then, may I ask the Honourable Government House Leader when it is his intention that the Chamber meet again in formal . . .

**MR. JORGENSEN:** That poses a difficult question now because there is a possibility that if we complete the work on Saturday, which is a possibility, then we could sit but that would be a little bit difficult to arrange. I would suggest that we meet Monday at 10:00 a.m.

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

**MR. GREEN:** Mr. Speaker, if — and I'm saying this by way of not suggestion but possibility — if the honourable member is of the opinion that there is a possibility of completing the representations and the bill, then it may be wise to convene tomorrow at eight o'clock so that the House is here to pass that information; if that's an outside possibility, then Monday at ten. But I think that it's probably more realistic that half the members get a holiday, the other half come in and that we meet on Monday at ten. Otherwise, we would have to come and meet in the House tomorrow at eight so that the House would be present in case we finished the material.

**MR. JORGENSEN:** In that case, I would be inclined to agree with the Opposition House Leader that perhaps it would be more appropriate if the House met Monday at 10:00 a.m.

**MR. SPEAKER:** The hour of adjournment having arrived, the House is adjourned and stands adjourned until 10:00 a.m. Monday morning.