

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, March 18, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 40 students of Grade 9 standing of the St. Norbert School. These students are under the direction of Sister Simone Legal and Sister Patricia. This school is located in the constituency of the Honourable Member for Fort Garry. On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

TABLING OF REPORTS

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources & Environmental Management) (Inkster): Mr. Speaker, I wish to lay on the table the Annual Report of the Department of Mines, Resources and Environmental Management; the Annual Report of the Manitoba Development Corporation; the Annual Report of the Communities Economic Development Fund; the Annual Report of the Watershed Conservation District Boards of Manitoba; the Annual Report of the Resource Conservation Commission; the Annual Report of Manitoba Mineral Resources Limited.

MR. SPEAKER: Any other Ministerial Statements or Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. SIDNEY SPIVAK Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. Today in Public Accounts the Provincial Auditor indicated that it was not his responsibility to undertake a special audit of McKenzie Seed and its related companies.

MR. SPEAKER: Order please. I believe the honourable member is well aware that if a report of a committee has not been received the question pertaining to the proceedings of that committee should not be posed as a question during the question period. Now possibly the honourable member has another question.

MR. SPIVAK: Mr. Speaker, my question to the First Minister is whether as Minister of Finance, in view of the \$620,000 accounting error, he will instruct the Provincial Auditor to undertake a special audit of McKenzie Seed and its related companies.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, that may well be a valid suggestion although the premise for suggesting it is I think quite erroneous. In any case, I'm sure the Honourable Leader of the Opposition would agree that there is not much point in having two professional audit groups conduct an audit on the same particular balance sheet. So it's a case of deciding whether to continue with the present auditing arrangement with an outside special auditing firm or to have this matter turned over to the Provincial Auditor of the Province of Manitoba. It's one or the other, but not both.

MR. SPIVAK: Yes, and another question to the First Minister. I wonder if he can indicate to the House whether the government is satisfied with the explanation given with respect to the \$620,000 accounting error.

MR. SCHREYER: Well, Mr. Speaker, I don't think that we can be satisfied but it is after the fact, and I don't believe that there is any point in recrimination or action beyond that which has already been taken by the board of McKenzie Seeds as I understand.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Health and Social Development. Can the Minister tell this House that he expects a real property owner to pay \$2 million towards hospitals because the government will not pay all the nurses' wages increase?

MR. SPEAKER: The Honourable Minister of Health.

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HON. LAURENT DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I don't expect anything. We just informed the board of the different hospitals that there was so much money available for a hospital budget this year; that's it.

MR. BROWN: My question is to the same minister, Mr. Speaker. Can the Minister tell this House that patient care will deteriorate because hospitals will be reluctant to pass any added expense to and . . .

MR. SPEAKER: Order please. The honourable member is stating an opinion after the question.

MR. BROWN: Well, can the Minister tell this House that he expects patient care to deteriorate because of a result, through a cutback in nurses?

MR. DESJARDINS: Mr. Speaker, of course not.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Honourable the Minister of Labour. Can the Minister advise the House whether a departmental conciliation officer is involved in the negotiations at the University of Manitoba?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I believe Mr. Speaker that there has been an involvement.

MR. SHERMAN: A supplementary Mr. Speaker. Can the Minister assure the House that he is being kept posted on the developments at the university by whoever is involved in this involvement?

MR. PAULLEY: Mr. Speaker, the way the Department of Labour operates, that we have a degree of acknowledgment of the responsibility of our conciliation officers. If my honourable friend wonders whether or not I keep them under my thumb 24 hours a day, the answer is 'no', they report to me from time to time.

MR. SHERMAN: A final supplementary, Mr. Speaker. Can the Minister advise the date of the last contact that he had with a conciliation officer in respect to that dispute?

MR. PAULLEY: No, Mr. Chairman, because information is relayed to my office periodically on a 24-hour basis. I don't recall the precise time that I last received a report.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, my question is either to the Minister of Urban Affairs or the Minister of Labour. I wonder if either of the ministers could confirm that the Winnipeg firemen have filed formally for an increase in pay of 50 percent with the City of Winnipeg.

MR. SPEAKER: Order please. Question for the City of Winnipeg. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister in charge of the Manitoba Development Corporation and I would ask him if the Manitoba Corporation has made settlement with the fire insurance company re the fire several years ago at the chipboard plant in Sprague?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, my recollection is that I did advise the House that such a settlement was made some time ago. But in the event that I am not correctly recalling I will check it out.

MR. BANMAN: Would the Minister then undertake also to advise the House as to the amount of settlement, please?

MR. GREEN: Mr. Speaker, that question can be asked at the committee where the chairman of the Fund will be appearing. No urgency about the answer, he asks the committee.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. I wonder if he can inform the House whether the matter of Schmidt Cartage, Ben Thompson, the Communities Economic Development Fund were discussed at a Cabinet meeting in 1973?

A MEMBER: Or four, or five or maybe seven.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I told the honourable member yesterday that I have no recollection whatsoever as to the subject of Schmidt Cartage coming up at a Cabinet meeting,

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(MR. GREEN cont'd) . . . . and no recollection of the loan itself until the question was asked of the First Minister I believe by the Member for Thompson --(Interjection)-- The then Member for Thompson, excuse me. Following that time, Mr. Speaker, the name has come up in Cabinet from time to time, but not with relation to the granting of the loan.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can confirm whether the General Manager of the Communities Economic Development Fund and the Assistant General Manager made a presentation to Cabinet in April of 1973 concerning Schmidt Cartage, Ben Thompson, the Communities Economic Development Fund?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, offhand I am rather sure that they did not but I certainly would want to check that and accordingly will take the question as notice.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Health and Social Development. In view of the statement made by the Federal Minister of Health and Welfare that he expects the Federal Government to support a guaranteed annual income program by early 1976, can the Minister tell us how such an announcement or development would effect the operation of Mincome Program that's presently operating in Manitoba?

MR. SPEAKER: Order please. The question's asking for an opinion. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Yes, Mr. Speaker, I would like to rephrase the question then. Can the Minister inform the House, in view of the federal statement, whether negotiations are proceeding with the Federal Government in the alteration of the Mincome Program to account for this new development?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, my honourable friend must have inside information because we tried to get some information for the Minister of Health about a month, a month and a half ago and we didn't get very far. I haven't seen any.

MR. AXWORTHY: A supplementary to the Minister, Mr. Speaker. Has the Minister of Health and Social Development in Manitoba had any direct communication with the Minister of Health and Welfare in the past week concerning the announcement made yesterday in Antigonish, Nova Scotia concerning the federal proposals on a guaranteed annual income?

MR. DESJARDINS: No, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. I wonder if he can inform the House whether the contents of the RCMP Report on Schmidt Cartage have been communicated to him?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, the contents of the Schmidt Cartage Report from the RCMP was delivered to my Deputy Minister, Mr. Pilkey, and then in the presence of Mr. Pilkey and myself the contents of that report was submitted to staff members in the department. We are presently evaluating that report and will be making recommendations.

MR. SPIVAK: Yes, another question to the Attorney-General. I wonder if he can indicate whether he himself has taken any action in connection with the matter?

MR. PAWLEY: Mr. Speaker, I thought I had just indicated that I had given to staff members of the Criminal Division of the Department of the Attorney-General the contents of the report and had requested that they evaluate it and to make recommendations, if any, to myself.

MR. SPIVAK: To the Attorney-General. I wonder if he can indicate whether he has either spoken to or interviewed any witnesses in connection with this matter?

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

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Corrections. Can the Minister inform the House whether the Alcohol Foundation of Manitoba is presently working to transfer responsibility for the independent alcohol agencies to its own jurisdiction?

MR. SPEAKER: The Honourable Minister of Corrections.

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HON. J.R. (BUD) BOYCE (Minister for Corrections and Rehabilitation) (Winnipeg Centre): That's a rather complicated question that can't be answered simply, Mr. Speaker. I would much prefer to discuss the matter under my estimates. No, that is not so.

MR. AXWORTHY: Mr. Speaker, I have a supplementary that may be answered by either that Minister or the Minister of Health and Social Development. And is, whether the Ryant Committee has yet prepared its report concerning the relationship between private and public agencies and when that report might be ready and available for tabling in this House?

MR. BOYCE: Both of us are working on it.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: That report is not out yet, Mr. Chairman.

MR. AXWORTHY: Mr. Speaker, can the Minister give assurances that when the report is ready it will be tabled in the House and the conclusions and recommendations made public for the information of both members of this House and the private agencies involved?

MR. DESJARDINS: I'm not ready to make this commitment at this time.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I'm repeating a question that the Attorney-General may not have heard before and I put it to him again. Has he as Attorney-General spoken or interviewed any witnesses in connection with the RCMP Report on Schmidt Cartage?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: No, Mr. Speaker.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. I wonder if the Attorney-General is in a position to assure this House that there will be no delay in acting upon the report because the results might be embarrassing to the Government.

MR. PAWLEY: Mr. Speaker, I don't really think the Leader of the Opposition requires that assurance. He knows full well that once recommendations are received by the Attorney-General from members of his staff that this matter will be handled in the normal course.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Minister of Health. I would like to ask him if all those patients from the hospitals pending the nurses strike that were discharged from the hospitals, who were not chronic cases, will now on his authority be allowed to go back into hospital beds that they were in?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, I have no authority in this at all. It is up to the physician of these patients and the hospitals concerned.

MR. WATT: A supplementary question then, Mr. Speaker. Who was responsible for those who were discharged from the hospitals because of the pending nurses strike?

MR. DESJARDINS: Mr. Speaker, this was left I'm sure to the different hospitals, the administration of the different hospitals, and the physician of every individual patient.

MR. SPEAKER: Orders of the Day. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, my question is to the Minister of Industry and Commerce. It's in regards to a statement made by Energy Minister Macdonald at the federal level last week. In view of Mr. Macdonald's lack of awareness of Manitoba's interest in the Arctic Island's Pipeline as of that time, has any effort been made by the government in the last week to indicate to the Federal Government the Manitoba Government's position?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, the Honourable Minister of Energy, the Honourable Mr. Macdonald knows full well our interest in this particular project. Our interest has been communicated both through the Premier and myself on a number of occasions, in writing and verbally - we've had meetings with the Ontario people, the Honourable Darcy McKeough, and I might advise the honourable member that we will be meeting with the group that is actually concerned with the construction of the Polar Gas project, I believe it's on Thursday of this week.

MR. CRAIK: A supplementary, Mr. Speaker. I wonder if the Minister would confirm that the statements by Mr. Macdonald last week indicated that he had not heard in particular of Manitoba's desires or position in this matter.

MR. EVANS: Well, Mr. Speaker, I'm not aware of the exact statement that the honourable member refers to. As I indicated earlier, our position was made clear and I don't know how many times we have to repeat it.

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MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. My question is to the Minister of Mines and Natural Resources. Can the Minister give us a flood forecast on the Red River?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the moment that it is made available in the regular way it will be distributed to the House as has been the custom in the past.

MR. BROWN: My question is to the same Minister. Can the Minister tell this House whether there is a study being conducted on the Pemblier Dam, and if there is when can we expect a report of this study?

MR. GREEN: Mr. Speaker, I don't know whether it can properly be called a study. The project is in the hands of the Federal Government with an indication that Manitoba would be prepared to proceed with that portion of the program on which cost-benefits have proved to be satisfactory when the Federal Government provides sharing.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I would like to table the 51st Annual Report of the Liquor Control Commission of Manitoba; the 16th Annual Report of the Municipal Board; Legal Aid Services Society of Manitoba 1973-74 Annual Report - I only have one for each of the leaders of the Opposition and the Liberal Party with me here this afternoon. And a report from the Liquor Control Commission re the Auditor's Report and Financial Statements for the year ending March 31, 1974.

MR. SPEAKER: By leave? (Agreed) So ordered. The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, with leave I would like to submit the Annual Report of the Department of Public Works for 1973-74.

MR. SPEAKER: Agreed? So ordered. Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, the Honourable Member for Birtle indicated he's not ready to proceed at this point with the second reading of the two bills, so I would like to move into Supply for the consideration of the Interim Supply.

I move, Mr. Speaker, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY - INTERIM

MR. CHAIRMAN: The Honourable House Leader.

MR. GREEN: Mr. Chairman, there appears to be some confusion. I indicated that when we are in Supply we would be dealing with the Attorney-General's Department and then the Department of Agriculture. But, Mr. Speaker, I assumed that honourable members would know that Interim Supply is a priority, and when the Prime Minister was in his seat that I would call Interim Supply.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Chairman. Mr. Chairman, I rise at this particular time for only one reason and that is to remind all members, and particularly remind the government the futility of the debate that we're now entering into on Interim Supply. The arrogance of the former Minister of Finance and this government reminds us the last time that we entered into this debate, that in the final analysis it was really meaningless, that he was prepared to break all parliamentary tradition as known in this country in all provinces, including the Federal House, that however way we wish to debate this issue, he is prepared to pass a Special Warrant for Interim Supply while the House is sitting.

So, Mr. Chairman, I don't want to interrupt the proceedings, but I want to at least put the track record straight. That is how this government abused the privileges of this House the last time this matter appeared before the House, and that if there is a cynicism, if

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(MR. ENNS cont'd) . . . . there's a cynicism in the general public about what we do in this House, it is being abetted and aided by the axes of this government. Because it doesn't really matter, Mr. Speaker, there is no power on this side to withhold Interim Supply or to force their hand at using the legislative powers that they have of ensuring continuity of government services, of ensuring the necessary supply by the means that they have at their disposal. --(Interjection)-- Right. Right. And I said that last year this time. But the cynicism that I refer to is that whenever it chooses the government to cut off this debate, they will assemble in Cabinet and pass a warrant bringing about the necessary expenditures that they need. And that, sir, Mr. Chairman, is an abuse, is a subversion of the reasons why we are assembled in this Chamber. Thank you, Mr. Chairman.

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

HON. SAUL CHERNIACK, Q.C. (St. Johns): Mr. Chairman, I was ashamed to listen to the contribution made by the Honourable Member for Lakeside. I point out as was pointed out to a great extent last year, that firstly the action taken by the government at the time was taken after several days of rather intensive debate under the subject matter on the agenda called Interim Supply, that the action was taken when it became apparent that the Opposition was using a delaying tactic in order to embarrass the government and force it into carrying out something completely other than dealing with Interim Supply. It was very clear that there was a desire on the part of Opposition to frustrate payments by government of the bills that were necessary to carry on government, in exchange for some sort of a barter which was unilateral effort on the part of Opposition, which they have a right to do in accordance with the rules and regulations and the law. By the same token, the responsibility of government at that time was to see to it that bills were paid, and indeed the method used was one in the legislation passed by this House, passed unanimously and drawn as I recall it, and as all members who were here last year will recall, drawn and prepared by the previous government, the Progressive Conservative government and presented by our government in the same form as drawn by the Conservatives. So it was done in accordance with the law which was passed by all of us. It was done after it proved necessary, and it was done as I recall it about two days after the first of the fiscal year in order to pay bills.

But the important thing, Mr. Chairman, and the thing that really makes the complaint or the attack by the Member for Lakeside not in order, is the fact that there was never any prohibition on this House continuing to discuss Interim Supply, because in the end Interim Supply had to be passed by this Legislature, and indeed was passed by this Legislature. The efforts on the Opposition side was to prolong debate, to prevent it being passed in the traditional way, and I don't believe it ever happened in this House. The Member for Lakeside is again making speeches from his seat, which is probably the best forum for him. Mr. Chairman, never to my knowledge, has Interim Supply failed to pass before the end of a fiscal year, but last year it was deliberately held back. And I would give credit to the members of the Conservative Party for attempting to use that tactic to accomplish their own end, but their end had nothing whatsoever to do with a proper debate on the principle of the bill of Interim Supply. Nothing whatsoever. Nevertheless they had that opportunity after the Special Warrant was passed, it was reported here on the same day, there was a continuing opportunity to debate Interim Supply. The fact is that, as I recall it, and this is subject to correction, the Special Warrant included within it a provision I believe that made it subject to the passing of Interim Supply within a certain period of time. Now I don't really remember the particulars of that provision. But let me say that it was interesting enough - and the Member for Lakeside said, "denied us the opportunity to deal with Interim Supply" - interestingly enough, once the Special Warrant was passed and the efforts of the Conservative Party to obstruct the payment of bills, capsized so did their interest in the Interim Supply Bill disappear and they passed the Interim Supply.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Chairman, the former Minister of Finance now dredges up that same old argument that he presented when he found himself caught in such an embarrassing position during the course of the last session. The fact is what the Minister of Finance and this government fails to recognize is that although the government does have the power to govern - and they're given pretty wide powers, and I don't deny them those powers, they are theirs by virtue of the Legislative Assembly Act, by virtue of perhaps a good many

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(MR. JORGENSEN cont'd) . . . . unwritten portions of the constitution of this country and by tradition they are permitted to carry on the responsibility of government. But every time they get into a little bit of difficulty, we find that always instead of taking the blame on their own shoulders where it rightfully belongs, they endeavour to place the blame on the shoulders of somebody else. I went through that drill during the Throne Speech debate and I won't go through it again.

But here we have more evidence of the attempt on the part of honourable gentlemen opposite to continue to blame their own failings on members of the Opposition and their inability to govern. The fact is, sir, that although that government does have considerable powers - powers as I repeat are theirs and I don't deny them to them - there are very few levers, or very few opportunities that members of the Opposition have to call that government to account. In the passage of Supply we do have such a weapon. And we have the right, notwithstanding anything that was said by the Member for St. Johns, we do have the right to use that weapon if we feel that it's justified. There are many occasions where it is not used simply because there is no real reason to use it. But when the occasion does arise, as it did during the course of the last session, we felt there was considerable justification for the continuation of that debate in order to bring the government to account. That's part and parcel of the whole procedure of this Chamber. And honourable gentlemen opposite can scream and cry and whine all they like, the fact is that the right to debate in this Chamber is a right of members of this Chamber - and that, in case honourable friends opposite don't realize, also includes members of the Opposition.

Now if they choose to want to close off the debate, they had the weapon, they had the tool, they had the opportunity, and they know what that tool was and they know what that weapon was. And that was --(Interjection)-- Well, that's the decision . . . Yeah, you see, now the First Minister has put his finger right on the very key issue here. He said, "Is that palatable", "Is it palatable", he says. It would have been palatable if there was justification for it, and honourable gentlemen knew darn well that it was not justified. What they are doing and what they were denying this House would not be palatable to the people of this country, so therefore they chose the sneaky way out, if I may put it that way, by using a provision of the Financial Administration Act that had been slipped in there, and admittedly it was put in there --(Interjection)-- well now, my honourable friend - Mr. Chairman, the ejaculations of the Minister of Labour is not going to clarify this issue very much. He is one of those people who when he becomes exercised can make more noise in this Chamber than the rest of the members put together. --(Interjection)-- Well, that is a matter of opinion, Mr. Chairman, and my honourable friend does not have as much as he appears to think he has.

But, Mr. Chairman, the First Minister has put his finger right on the issue. Whenever anything is uncomfortable or unpalatable, then it's the government that gets the blame. The First Minister says, would we? Yes, if the circumstances warranted it. As the honourable member knows, there were occasions, I think two or three occasions in the House of Commons that closure has been used. The two occasions that I remember, one of them was completely unjustified - I won't go back as far as the Naval Bill because I don't know the circumstances of that particular debate - but one of them was I think completely justified - and that was during the course of the flag debate - and there was no outcry on the part of the members of the Opposition or the people of this country as a result of the application of that particular measure.

On the other occasion, there was. There was quite an outcry and there was no justification for the application of closure at that time. So it's a question of judgment on the part of the government. But are the government so afraid of their own judgments that they're afraid to make those decisions? That's what they're paid for, that's what they're government for, to make decisions, and if they felt that --(Interjection)-- Oh yes, but they did not . . . The First Minister says they made that decision. They made that decision contrary to all established principles of the rules of Parliament.

It's a well established principle under the Financial Administration Act in the House of Commons that when the House is meeting, that Special Warrants are not used. You have the House and you have the ability to ask the House for whatever money you want. If there's a delay then you have a course of action and they have the majority which they can use to get the money that they require. The First Minister knows that. But in wanting to try and cover up

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(MR. JORGENSEN cont'd) . . . . the mess that they had made in certain departments of government and to prevent any further debate from taking place on that particular issue, they chose the easy way out. They chose to use a section of the Financial Administration Act that had been lifted word for word out of the comparable statute in Ottawa, with one paragraph missing. And that simple paragraph was, "when the House was in session." I don't know how or why that came in. --(Interjection)-- Well, my honourable friend knows who drafts legislation, it's not members of the Opposition. And I hope he'll forgive us if in examining that statute when it was brought before the House, we failed to make note of that particular section that had been omitted. Now we're not so completely infallible that we do not sometimes make mistakes and that we do not notice things that are passed in legislation. That happens. But when it has been discovered, as it was discovered last year, one would have thought that the government would have rushed to cover up that particular section and to make amends.

I submitted a resolution before the House, or an amendment to the Financial Administration Act last year, it is on the Order Paper again this year, and we're going to have a further debate. And I don't want to debate the merits or demerits of it at this particular point. All I am pointing out, in response to the Member for St. Johns, that the government had an opportunity to take the kind of action and the course of action that was available to them, without resorting to that measure that they did use in order to get Supply.

Now then, how long the debate is going to go on to a large extent depends on honourable gentlemen opposite. I have no particular desire to carry on the debate. And while I'm on my feet, Mr. Chairman, I want to respond to a suggestion that was made by the First Minister when the resolution was first introduced, and he posed the question and he did refer to me, so since he referred the matter, not necessarily to me, but since he mentioned me in his reference, I want to now deal with that particular aspect of his remarks, which deals with the kind of debate that is permissible in the introduction of a resolution. And if I may be so bold as to offer my suggestions as to the kind of debate that is permissible under the resolution, I will suggest, sir, that the kind of debate that was taking place on the evening of the introduction of the resolution was out of order; out of order to the extent that when you have a money resolution before you what you have is nothing more than a suggestion by the government that they plan to introduce a bill; which means that debate then should centre around the desirability of the introduction of that particular piece of legislation. Rather than conduct a question and answer session as was being conducted at that time, but since we only had a couple of minutes left it didn't make that much difference, I thought, and I wasn't quite sure of myself anyway - I subsequently looked at the . . .

A MEMBER: . . . I was on the right track.

MR. JORGENSEN: You were on the right track. I subsequently looked at the rules in connection with the introduction of resolutions and the First Minister's suspicions were confirmed, that a debate at that particular stage deals primarily with the desirability of introducing a bill for consideration of the House. The point by point question and answer can be dealt with during the committee stage after the bill has been introduced in the normal course of events.

And, sir, again I repeat, I simply rose to refute the suggestion made by the Member for St. Johns that the situation that developed last year developed as a result of a desire on the part of the opposition to forestall the payment of salaries in this province, which is a lot of nonsense. The opposition uses that technique from time to time and that's not the first time. I remember on several occasions in Ottawa, and I'm sure the First Minister remembers as well, when interim supply has spilled over past the deadline because it was a technique that was used by the opposition, and my honourable friend was undoubtedly, since he spent some time in the opposition there, was undoubtedly a part of that operation and he knows the reason why it has been done. We felt we had a very legitimate reason for doing it on that occasion. Judgment may prove us incorrect, but we made the judgment at that time, we have no regrets at having made it because it revealed something about the weakness of the Financial Administration Act that I think should be corrected. --(Interjection)-- And it also revealed, as my Honourable Member for Lakeside said, the arrogance of honourable gentlemen opposite.

MR. SPEAKER: The Honourable Member for Riel.

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MR. CRAIK: Mr. Chairman, I think we're overlooking the fact that the debate last year that centred on the Interim Supply Bill was in connection with a matter which has now been underlined in its importance only this year. Last year at this time what we were driving at in debating the Interim Supply Bill was to get a proper type of an examination, judicial enquiry, auditor's analysis and other things of the issues with respect to the construction companies in northern Manitoba that have now been proven to be worthy of that debate. And I'm surprised that the government should be taking this opportunity in replying to the criticism from this side, say that that was an unwarranted pursuit at that time.

Mr. Chairman, the items that are contained in this year's auditor's report are those items which were brought up in the debate last year, and it is not until this year that we have had the results of it. And, Mr. Chairman, I would think the government would be careful on this particular example to not be critical of the time used last year to get this investigation started. (Hear, hear) I don't think there's any question, I don't think they would even question this point in the pursuit of justice, that this was a waste of time on the Interim Supply last year.

Now, to be critical of the opposition for holding it up so they had to pass a special warrant in order to get Interim Supply for the payment of salaries, the government knows very well that if they really wanted to they can exercise their majority, their responsible majority if they so choose in order to get the Interim Supply along. We aren't the only ones that are critical of the use of the special warrant for Interim Supply, none other than some of our top constitutional people in Canada. Eugene Forsey, for instance, was an outspoken critic of the move of the Manitoba Government last year in taking this move of abrogating traditional procedures under the parliamentary system of using special warrants for this purpose when the Legislature is in process. And the government knows very well that this is a pretty difficult position for them to defend. Their arguments are somewhat like what they used against us for support of the Mineral Acreage Tax Act at the last minute in the dying breath of the session when it was forced through, and ever since we've been accused of passing this thing, as if we had the majority on this side of the House.

Mr. Speaker, you know, if you take this to its end you can look forward to the day when the government is going to accuse us of being guilty of creating Autopac simply because we didn't have enough majority over here to stop it. This is the sort of argument - the fallacy of the arguments we're getting from the government across the way here. In every case that they're able to pick here, whether it's Mineral Acreage Tax Act where they're avoiding the responsibility of the majority, which is them, to make their decision or whether it comes to the passing of Interim Supply by using special warrant as opposed to using the exercise of the power of their majority, they want to blame it on to this side of the House. And of course the argument just does not hold water and they of course know it.

Now, Mr. Speaker, I do want to ask some questions about the Interim Supply. I think that - as we face it now . . .

MR. PAULLEY: Mr. Chairman, on a point of order.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: I didn't want to interrupt my honourable friends opposite when they were discussing a matter the subject of which is under consideration for debate in this House by way of a motion introduced by the expert of the Conservative Party on the rules of procedure.

We have --(Interjection)-- I don't know what I'm talking about? Will you shut up for a moment and listen?

There has been, as I understand it, a Notice of Motion introduced into this Assembly for consideration of amendments to the Financial Administration Act by the Honourable Member, I believe, from Morris. The debate that has taken thus far deals with a matter concerning the Financial Administration Act of the Province of Manitoba. The subject matter --(Interjection)-- I'm on a point of order and there's no points of order on points of order. --(Interjection)--

MR. CHAIRMAN: Order. You can't have two points of order on the floor at one time. The Honourable Minister of Labour is now on a point of order. That is my understanding. When he sits down I will entertain your motion. --(Interjection)-- That's what he rose on.

MR. ENNS: That is my point of order.

MR. CHAIRMAN: That is not a point of order.

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A MEMBER: He is on a point of order.

MR. PAULLEY: Mr. Chairman, for the edification of my honourable friend from Lakeside, I did rise on a point of order; and while I may not know all of the rules of procedure I do suggest in all deference that we have received a Notice of Motion for consideration of amendments to the Financial Administration Act. And that is the subject matter for consideration and the debate on that particular Act I suggest in all deference, Mr. Chairman, will take place at that particular time.

I have no objections, basically, to the muckraking that is going on at the present time by the opposition and a revival of a debate that took place last year, and that is permissible.

I have read the journal of 1969 in respect of the Financial Administrations Act, and that outfit there that are now complaining voted, in total, to the adoption of the provisions of the then Financial Administrations Act. The Member for Morris has now given notice, and that has been in our papers and our votes and proceedings, that this subject matter and the Financial Administration Act will be the subject matter of debate.

So I say in all deference to my honourable friends, my point of order I believe is a valid one. That we should get on to the consideration of the motion before the House to go into and consider Interim Supply.

MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: On the point of order then, you know the point of order simply being this, that the Honourable Minister of Labour had no point of order; that the contributions made by myself, by the Honourable Member from Riel and the Honourable Member from Morris have been precisely to the motion before us, namely, Interim Supply, and that's all that we're talking about.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAJK: Well, Mr. Speaker, as the Minister of Labour rose on his point of order I was speaking on Interim Supply, Mr. Speaker, so I'm very happy to take his final words of advice that we talk about Interim Supply because that's exactly what I intended to do. But we're very happy that he's had a chance to straighten us all out on his point of order.

Mr. Speaker, the main question I want to ask about Interim Supply is the question of what the impact of the pending or eminent wage settlements that are likely to occur in Manitoba by the time the Estimates go through and Interim Supply is instituted, how these are going to rank in comparison to what the government has budgeted for and is asking us for by way of the Interim Supply that is before us. I realize that 25 percent of the overall Estimates they're asking for, but the overall estimates of course include a figure or figures for the people that are not necessarily just on the staff of the government, the civil service, but people who by way of transfer have their salaries paid by them.

And, Mr. Chairman, we're faced with a - as everyone must realize in this House in the last two days, with probably a crisis as far as Manitoba is concerned in 1975, if the wage scales that are being requested do in fact become a fact. We have in the last few days, yesterday, an agreement which would indicate that one segment is receiving a 44 percent increase. We see the Civil Service has asked now for little better than - in the 50 to 55 percent range. I asked the Minister of Urban Affairs today whether or not the firemen in the City of Winnipeg have now filed a formal request for an increase of 50 percent. I understand this is the case, that there is a formal request before the city government at this time.

We have the construction industry which is going to have an impact of course on all the budgets of the province at this time asking for an 80 percent increase. Now these won't necessarily show up in the Interim Supply budgets and that impact would probably come on capital borrowing. But nevertheless there is a very significant part of the total requests for increases in salaries in Manitoba going to show up in one form or another in direct government spending this year and may in fact cause the government to reconsider its grants to such organizations as the City of Winnipeg.

So the question, Mr. Speaker, is what consideration is in the budget at this time, or in the estimates of expenditure to cover increased salaries for people?

Now this is not an easy thing to analyze because if these wage increases come about, what is the government then going to do by way of relief for those people who have no control over either their bargaining position, or if they have no bargaining position, if they're on fixed income, and the negotiations in the city are going to reflect themselves on their property

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(MR. CRAIK cont'd) . . . . tax quite apart from the 15-mill increase that's already been indicated. What's the government's position in that respect?

We have before us one of the most serious situations that's probably ever faced the Province of Manitoba, and I am sure that no one better than the present Minister of Finance must realize this. And I think that in particular in relation to his remarks made outside of this House about the concept of wage and price controls, whether or not this isn't a good opportunity for him to advise the House whether or not the government is looking at this sort of thing and whether their Interim Supply request here that we're now facing is realistic in terms of the settlements that appear to be taking place.

Mr. Speaker, with that very preliminary remark, I'd like to give the First Minister an opportunity to state to the House what moves government can make to try and bring some sort of semblance of order to this. I don't think it's good enough just to stand up and be critical of the wage demands being made, but what is the government in its position to do in the event that these become realistic, because there are indications now that they may well in fact, be more reality than fiction. On first encounter one would think that wage demands of that magnitude are, in fact, the striking of just a negotiating position, but in fact, the settlements are of these figures, these that are coming out are very difficult for the province to swallow, because the settlements that are being made by the province have their impact on the other negotiations going on in the province.

What is happening now on the negotiations with the province and with the city have a similarity to the negotiations with regards to the seaway back in the era of Mr. Pearson's tenancy of the Prime Minister's job in Ottawa, when he set guidelines for Canada of one figure in the 3 or 4, 5 percent range and then made a seaway settlement to the people negotiating on the Seaway Agreement for increases in the 20 to 30 percent range. And, of course, all semblance of control throughout Canada was simply thrown out the window and for a period of a year and better this formed the guidelines, not the government-stated guidelines, Mr. Speaker, but the actual guideline that was set by the government settlement on the seaway negotiations at that time. And we're very very much in the same position, because the settlements here that are taking place in the government negotiations now have an influence on the construction settlements that are going to take place very very shortly in the next months or so. Those are binding on the Hydro agreements, automatically, in northern Manitoba where the government has a tremendous stake as far as its budget this year is concerned. There is no negotiating in the same sense as what takes place in Winnipeg. It's an override type of agreement. So the stature and position that the government is striking at this time in its negotiations are very much setting the tone of negotiations in the whole Province of Manitoba. There is no single body now in Manitoba that is any larger in its influence than those which deal directly and negotiate directly with the Provincial Government. And everything that happens in this province is going to be governed by the position the government takes on these negotiations.

I must say that there's a certain degree of sympathy on this side amongst some members to support the principle espoused by the First Minister outside of the House with regard to some sort of constraint and control, and we would be pleased to see just how, in fact, this is going to be done, because there does not appear at this time to be any strong evidence that this is going to be put into practise in the Province of Manitoba.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I hardly need an invitation to speak to the problems which are afflicting not only us but all of Canada in the current round of inflation that is burning away. And certainly the extent of inflation that is taking place now which started as a commodity price push, is translating itself more quickly with each passing month into a higher cost of production, higher cost of salaries and wages, push-type of inflation.

The Honourable Member for Riel realized full well, in fact his remarks certainly clearly imply that he understands well enough, that there are no easy answers as to the best way to try to contain inflation when it does reach the degree of inferno that it is at the present time. We are, and have been, for several, well quite some months now, in double digit inflation psychology and therefore 1975 will require really the best that good government anywhere and collectively can come up with in order to dampen down the completely runaway psychology that lies behind the salary and wage expectations of 20, 30, 40, 50, 60, I hear one

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(MR. SCHREYER cont'd) . . . . proposal in the federal jurisdiction now at 75 per cent. Well clearly all this brings to mind the words of the poet W.B. Yeats that "The floodtide is loose, the centre cannot hold. The mood of anarchy is loosed upon the land". And there is considerable element of that starting to insinuate itself into salary and wage discussions across the country.

If the Honourable Member for Riel has some dramatic suggestions to offer I would think that he would share them, not only with this side of the House, but with the Government of Ontario, Quebec, Alberta, Saskatchewan, you name it, all provinces across Canada. The fact of the matter is that any one province alone, particularly a province of jurisdiction of one million people, is hardly in a dramatic position to do anything much more than insure that it does not for its part lead the way in inflation. In some circumstances we may be caught in a paradox of where the increase being requested is substantially more than the increase in the cost of living and therefore will be by and of itself further inducement to further inflation, and therefore negative as it is has to be offset against the fact that for purposes of comparability with sister jurisdictions to east and west that some degree of catching up may be in order.

So it is one distinction to draw that if a certain settlement has to be made at a given level in order to insure comparability, some degree of fairness in terms of inter-provincial treatment comparison, it is quite another thing to allow oneself to get caught in the grips of agreeing to a settlement which goes beyond comparability and in fact leads the way. And in that respect we have our obligation and in that respect we will have to be adamant, but completely adamant, sir.

I have no great illusions that that by itself will have any significant bearing on the problems that we face now and which cry out for some firmness of public policy and action, but believe that therefore we were completely justified in calling late last year and repeating again in the month of January to the Prime Minister of Canada that when we meet in Ottawa in early April that the general economic condition, including specifically that of inflation, ought to be one of two top priority items for the agenda. There will no doubt be other items but certainly the matter of inflation and ways and means of responsibility containing the lunacy that seems to have been let loose upon the land is certainly one of the two items; and the other has to do with energy pricing and the ways in which we can responsibly adapt to the changing realities and circumstances of energy supply and energy price.

Having said that, I would say to the Honourable Member for Riel that any more specific reference by me would not be I don't believe in the public interest. It is certainly a well understood practice that matters that aren't under current negotiations be matters that are not dealt with specifically in terms of details of what is in fact under serious negotiation. And to reveal that may well prejudice if not poison the atmosphere that is necessary before any agreements can be arrived at.

I believe that the problem we face here in Manitoba is exactly that which is being faced by all sister provinces, certainly from central Canada west to the Pacific Ocean, and I'd be surprised if it were different to any significant degree for that matter even in the further eastern parts of our country.

I believe that the Member for Riel has every right to voice his concern. In fact I welcome the expression of that concern. I can only express an equal concern and indicate that as a province of our size we can only pull in the traces in terms of doing our share of containing inflation by insuring that we do not go beyond comparability and thus lead the inflation advance.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. In response to the very meaningful remarks of the First Minister I would like to perhaps approach a suggestion, at any rate, that might recommend itself to all sides of the House in connection with the present situation and the present crisis. My colleague the Member for Riel has detailed the significance and the impact of the kinds of difficulties that are facing us at the present time. The First Minister has responded with an assessment of the degree and of the extension of that problem and with an invitation to this side of the House to make suggestions and to participate in the search for a solution. It's in that spirit, Mr. Chairman, that I would ask the First Minister and his colleagues whether in view of this particular emergency and this particular situation

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(MR. SHERMAN cont'd) . . . . they might give consideration to the kind of an approach that could best be described, I suppose, as a coalition approach, an all-party approach to the problem, the problems assailing us. The coalition approach, even in a limited way, has certainly demonstrated its usefulness to all of us I'm sure in the past when governments and states have been beset with problems that transcend the mere partisan and the mere political.

What I am saying, Mr. Chairman, is that there is that institution, that practice of united or coalition approach to a problem that devised by public servants in the past has helped certain jurisdictions, certain administrations persevere and indeed triumph in the clutch of an emergency. I don't think that it's an exaggeration to suggest that at the present time we have the makings of an emergency with respect to inflation in our province and with respect to labour relations peace and harmony. As a consequence I think all of us would be prepared to agree regardless of partisan position that the most unfortunate and unwelcome kind of condition that we could possibly inspire would be the condition of acerbic and intense and indeed inflammatory debate. And despite the best intentions of all of us in this Chamber the nature of the institution, the nature of the environment is such that debate on subjects which lend themselves to positions strongly held, strongly felt, always stands in danger of becoming fairly inflammatory, always stands in danger of becoming highly emotional and intense. And the injection of the intense and the emotional into this kind of a debate could only exacerbate the situation, could only make it worse. In the opposition we, of course, have the job and the commitment of examining the governments positions on all subjects pertaining to the welfare of the province. In the pursuit of that objective, in the fulfillment of that assignment, we unfortunately but quite naturally tend to perhaps encourage debate to take on intense and volatile directions.

I'm suggesting, Mr. Chairman, that in the present circumstances facing the kind of situation that really contains within it the fate of the people of Manitoba, that it's my opinion that all 57 members of this Chamber would desire to avoid that kind of debate. That being the case I am wondering whether the First Minister and his colleagues might give consideration to a kind of an all-party approach, whether through a special committee struck for that purpose or whether through a series of consultative sessions set up on the initiative of the Minister of Labour and involving the relevant representatives from the other parties in the House, whether that kind of an approach might at least, if not possessing the potential to solve the problem, might at least head off the possibility of a worsening of the problem.

I'm sure the First Minister is correct when he implies - I inferred from his remarks that he was implying that the problem is not one that can be solved here in this island of Manitoba, it goes far beyond that. And I agree with him, I agree. To only a very slight degree could it be properly attacked and properly contained here. And I agree with that. But I think that if we start from the premise that we have to find instant solutions that we probably are going to be bitterly disappointed and frustrated before very long. I think if we start from the possibility that we might be able in the interests of the Province of Manitoba to work together in at least lessening the tensions and at least reducing the possibilities of further exacerbation, that out of that might come a happier condition than could well otherwise be the case.

What I'm really saying, Mr. Chairman, is that there is a need for calm and there is a need for reason and there's a need for unanimity in the interests of the province and the people of the province in coming to grips with this problem, and that in the normal and I think healthy atmosphere of debate in this Chamber the possibility of achieving calm and reason and unanimity is necessarily limited. We're in an emergency situation, we are facing a crisis for our province and our country and I would simply commend to the First Minister and his colleagues the idea for their consideration that there might be some mechanics that could be set up that would enable us to take a non-partisan approach while we fight our way through the immediate crisis.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I too wanted to address some remarks . . .

MR. GREEN . . . a point of order.

MR. CHAIRMAN: Point of order.

MR. GREEN: We have changed the rules, we have tried to make it certain that people will not be precluded from dealing with matters on the estimates. We have a resolution before the House now which the Member for Morris has correctly pointed out says, "Is it in the

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(MR. GREEN cont'd) . . . . interests of the province that Interim Supply be voted". That's really the question before the House, that a bill be presented so that the government will be able to carry on its business and pay its bills before the budget is approved.

Members are now using that question to debate every range of issues and it seems to me that if that is going to be the purpose of the motion then the Rules Committee had better sit down right again and consider the Rules of the House. Because, Mr. Speaker, on the basis of that particular position - I urge the honourable member to consider what I am saying - on the basis of that particular position the 90 hours is removed. This debate can go for 180 hours. Now, people will say "Yes, that's right. You changed the rules. That's your worry". But that's not the basis upon which the parties got together and said "Let us figure out a way of doing this." And if that goes any further, Mr. Chairman, we who co-operated in the change of the rules also have a majority, also have the right to decide that this is not going to work. Now, I am not at this point saying that this has got to stop, but surely we have before the House not even a bill, we have a resolution saying that we should go into Committee of Supply to consider whether there should be a bill presented so that the government will have a supply of funds when the present situation runs out. You don't want special warrants, you don't want rules limiting debate, then we can't conduct this type of introspection on that type of resolution.

I'm not going to ask for a ruling on a point of order, I'm not going to ask the Chairman to declare it out of order because that won't get me anywhere, the next man will get up and then we'll have a debate for fifteen minutes on the point of order. But if the honourable members insist that this resolution is the occasion for this type of debate, then we ought to go back and decide whether the business of the House can be conducted in this way. The Leader of the Opposition is laughing. I tell him that this is no laughing matter. That whatever government is in power, whatever government is in power Mr. Speaker, whether it be Conservative, Liberal or New Democrat, it can only operate if there is an intention that the Rules of the House will be followed not only by letter but by spirit. And if that doesn't happen then the kind of thing that honourable members complained about as having occurred last year will occur this year, and I will have absolutely no sensitivity about it whatsoever. But I plead with the Honourable Member for Fort Rouge, I plead with the Honourable Member for Fort Garry, that this is not the occasion for a debate on the difficulties that society is involved in with regard to labour management disputes. I'm not saying that that's not a legitimate subject for debate, but on a resolution to get Interim Supply I do not believe that that is a proper consideration. I've raised it as a point of order, Mr. Speaker, I'm not asking the Chairman to rule, I am asking for the co-operation of honourable members. If they feel that what I am asking for is more than co-operation, we will have to consider that and deal with it accordingly.

MR. CHAIRMAN: The Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, just a short response to the intervention by the Honourable Minister. I, among many other members of the House, have always stood in great admiration for his mental dexterity. I didn't know that that dexterity had now developed to the point where he is a soothsayer and is able to predict what someone is going to say before one says it. And therefore I can only suggest that while he feels we are about to engage in a discussion or debate about a range of issues, I would hasten to add that that was not my intention, but that I was hoping simply to make a few remarks and particularly to raise a question with the First Minister on the resolution on Interim Supply. Because as I understand it in my brief experience in this House, the Interim Supply is primarily to pay for the operation of government. The operation of government includes probably - about 70 percent of its expenditures deal with the public service and members of that public service perhaps even more, and that therefore it is a proper topic for examination to deal with the question of the supply of money available to members of the government and whether we in fact are applying or spending that money in an effective way, and whether in fact as we begin to provide a general assessment, I would hasten to add for those members across who are murmuring once again into their overgrown beard that the opportunity arises in estimates, that's not true. Estimates are departmental estimates. We are now dealing with the matter of fiscal policy of the Government of Manitoba which cuts across the board of individual departments, and therefore we must use this opportunity to raise those issues which transcend or rise beyond individual departments.

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(MR. AXWORTHY cont'd)

And in this respect, Mr. Chairman, I simply wanted to really I guess raise in a way a series of questions to the Minister. First, the question of the problems engaged in the existence of a major transfer I suppose in our society over the last ten years and that is where we now are heavily - most of our work is now engaged in service industries and many of them particularly in public service industries, both municipal and provincial. And I think that the question that was raised to my mind that struck me most notably in the Woods Committee report was that the normal arrangements for collective bargaining cannot necessarily be included when one comes into the area of public service discussions and negotiations. For two reasons: One - I think the one that struck me most directly was the fact that the area or the element of politics very much begins to enter into the problem of collective bargaining. So it's not simply a matter of sheer economic rational arguments in terms of individual self interest on two sides, it becomes a basis for resolving conflicts between management and employees. But when the employees also believe that the management is totally within their power because they voted for them, that they can apply other pressures and other forms of influence which affect that bargaining, and that is mainly to use politics. And we have certainly seen with the experience of Western Flyer Coach and other areas, that politics has become very much part of the collective bargaining arena. And therefore I would simply raise with the First Minister the question of to what degree are they beginning to move towards, not only an assessment of the recommendations of the Woods Committee report, but also the discussions with the MGA and other associations, employees' groups, who are working for public service on the development of a alternative mechanisms for the resolving of salary conflicts.

I think there's also another area, Mr. Chairman, that has struck me, and I think it's one that has not really to my knowledge come up for discussion before, and that is that as we look at the proposals for increases in the area of 30 or 40 percent, we are faced with a problem that we never hear on the other side of the case what is the government or the government employer asking in return in the way of productivity increases or improvements. In other words, does one ask for and receive commitments, guarantees, agreements, that if certain kinds of salary increases are in fact improved, that there will be a like or parallel return in the productivity or performance of public service employees. I think the whole area of productivity in the public service is one which is generally ignored; it has certainly been ignored in the municipal level to a large degree. I suspect even on the provincial level, we really haven't applied serious measurement to how in fact do you acquire a degree of improved productivity on the part of public service employees to help offset the increased costs of the salary settlements or wage settlements that come about, over and above the inflation factor. And I think, Mr. Chairman, that recent economic analysis that have been provided demonstrate that one of the difficulties is that salary agreements in the public service area are in many cases geared to like agreements in the industrial or manufacturing area. However, in the industrial and manufacturing areas, wage settlements are oftentimes based upon certain productivity improvements in the past year, and therefore if a steel worker receives 15 percent and a school teacher or a civil servant or a fireman also feels that in order to maintain the wage parity, that he must also receive 15 percent. The difference is that the steel worker may sort of in the production of steel have a productivity increase of some five or seven or eight percent, which reduces the actual cost to the manufacturer by like amount, and therefore the full 15 percent salary increase is not born solely by cost of the product, but in fact can be absorbed in part to productivity increases.

So the question comes back that if salary increases on the public service sector are geared accordingly to similar settlements on the private sector and industrial sector, then how do we as a government when we go into bargaining negotiation, try to ask for or demand as part of the bargaining like returns on that side? I think this becomes a major issue and should become a major issue in trying to realize new wage settlements in the public service area; and that is the degree to which one can expect improved productivity.

Now I don't know if one can say that all those firemen are going to put out more fires, or the civil servants are going to push more paper across their desks, I'm not sure exactly what kind of measurement you would apply. But the fact is I think that it is an important consideration and if the Minister is simply suggesting that government is helpless in this area,

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(MR. AXWORTHY cont'd) . . . . that one simply can only try to keep up parity with other provinces without trying to apply some measure in terms of internal management of its own resources to gain higher returns for dollars spent on public service employment, that I think that we are missing the opportunity, or the requirement in fact, to gain a better bang for the buck if one likes in terms of the use or allocation of public dollars in the payment of public service employed.

I would simply also like to point out a third area of questioning, Mr. Chairman, that I again find hasn't been properly articulated yet by the government. And that is, while again they say inflation is a nation-wide problem or international problem, nothing can be done about it. Again I think one can effect wage settlements or labour settlements not necessarily solely through the negotiation process, but could also effect it through indirect means; and one area of those indirect means is through the area of tax cuts. That if in fact government itself is prepared to tighten its own belt, cut back on some of its own services and give tax cuts in the area then that tax cut can be subtracted from proposed wage settlements. And I think that government itself can apply . . .

By the way, Mr. Chairman, I find it interesting that the member who sits, to whichever corner behind you, has become such an expert all of a sudden in the area of labour relations and wage productivity, and I would hope that he would take the opportunity to get on his feet at some point and express his own points of view and analysis of this problem, because he seems to have an awful lot to say about everyone else's point of view from the area from whence his knowledge sits, which is on his seat. And I would suggest that at some point he arise and give us the full benefit of his wisdom as we normally conduct in the House, and that is on his feet.

Therefore, Mr. Chairman, I would simply like to suggest that in looking at this problem, wage settlements in the public service, that there are alternative means available to the government. First, of reducing the kinds of cost to government through the kind of bargain and arrangements that are made with public service in terms of what do we get in return. And secondly, to try to effect the amount of that increase by other indirect means of effecting salary or wage demands, and that is through providing for a larger take-home or household package through the area of tax cuts. And as the First Minister would well recognize, that has been a point that members of this group have been asking for since last year; that we feel that one of the areas of fiscal management the province is not engaged in sufficiently as a means of offsetting inflationary pressures, both on wage settlements and on increased costs, is in the area of tax cuts, and I think that he might provide for us some rationale for the lack of government action in this area, because I think it again has a strong bearing on the kind of wage and labour problems we are now running into.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Chairman. I listened to the words of the House Leader on this particular resolution and, Mr. Chairman, I must admit that I have to concur with the feelings expressed by the House Leader, namely on whether or not we should have an Interim Supply bill before the House at this particular time.

I want to come back, sir, to what happened a year ago when the government brought forward a rather peculiar method of raising additional funds when they had considerable funds unexpended at that time. And, sir, I refer now to the Capital Authority that existed at that time. We have seen considerable changes, lateral shifts that have occurred in the past from Current Estimates to Capital Authority, what is paid through revenue generated in that year and what has been transferred to Capital, and we find that changes that occur from year to year aren't consistent. For instance, one time we may find that roads are built under Capital Authority and the next year they may be built under Current Estimates. The lateral shift that occurs with finance from Capital to Current is most confusing to members of this House, and I'm sure that it must cause some concern to the auditing system as well.

Now the time that the government asked for additional funds to carry on the current expenses of the province last year, at that time they had \$58,614,000 allocated in Capital Supply that was unexpended under a heading of General Purposes. Sir, at the same time there had been for that same fiscal year an appropriation in Capital Supply of 24,182,000 for General Purposes. So there has to be a carryover from year to year in that particular fund. Now how much is laterally transferred from year to year we have very little way of knowing. --(Interjection)-- Yes.

## INTERIM SUPPLY

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, a question and an answer may help to clear up a misapprehension. Is the honourable member suggesting that funds that are uncommitted, that are under the general heading of General Purposes Capital could be used for the purpose of meeting operating costs?

MR. CHAIRMAN: The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, that is the question that I wanted to ask the First Minister. Because we have found that sometimes a certain estimate will be in Capital one year and not in Capital the next. There has been a lateral shift from year to year, and I'm just wondering what consistency the government intends to carry on in that respect. --(Interjection)-- Yes, it's carried on for many years, many many years, and I would like to see, I would like to see some consistency in this respect so that the people would know definitely what is the Capital Authority in the Province of Manitoba and what is not. It seems that General Purposes is getting larger every year in Capital Authority, and no one has yet been able to define what General Purposes does mean. So that if members on this side ask a few questions, I think that those questions are legitimate.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, quite so, those kinds of questions are perfectly legitimate as the honourable member suggests, and there is indeed opportunity to deal with exactly those kind of questions, and indeed we have, if not in all in most years that I recall directly, and that is at the time when we are considering the Capital Supply Bill. Capital Supply will be introduced in this House some time in the course of the next, oh, roughly 35 days I should think. And when my honourable friend sees the actual Capital Supply Bill and the related documents, he will see itemization of Capital Supply requirements, Schedule A and Schedule B. Schedule A will be itemized by statistic purposes and Schedule B will be itemized in about five or six purposes, the fifth or sixth of which will be General Purposes.

Now there you get into the question, what constitutes General Purposes, and there we certainly, if we haven't already, we certainly could start the practice of handing about a sheet which would indicate, it would be indicative of what the General Purposes items of Capital Expenditure would be. As long as it's understood that for the more effective operations of the Crown in any given year it may be that one of the General Purposes' items may not be proceeded with, in which case the funds under that heading of General Purposes are transferable for other items under that same general heading. But we'll come to that, sir, sometime later this month or early April.

So if I may leave that then, I would go on to reply at least briefly to what was said by the Honourable Member for Fort Garry. Strictly speaking, and trying to stay within both the letter and the spirit of the rules as they've been discussed and agreed to, Bill 7, which has to do with Interim Supply, I can say to my honourable friend, the Member for Fort Rouge, that there is nothing in this bill that relates to future settlements as between the Crown and various bargaining groups bargaining with the Crown. There is no provision here other than the standard provision for salaries, and we are asking for one-quarter of the main estimated amount. Now this is the traditional and routine way in which to handle Interim Supply.

The matter of settlements yet to be negotiated and consummated is something which we can neither prognosticate and include in this bill as to precise amounts, nor would it be even desirable to do so if we could, given that it almost by definition would have the effect of colouring the negotiations themselves. So all we can put in is the most crude approximation and then ask for one-quarter of that amount along with one-quarter of all the other items that are in the main estimates having to do with the routine carrying on of the various programs of the various departments: social allowances, grants to volunteer social welfare agencies, etc. There is a myriad of them, and I don't think that the Member for Fort Rouge is asking for itemization at this time. So given that that is the circumstance of Bill 7, I don't believe it would be appropriate to respond at this time with respect to his analysis and his view of the world as to how settlements can best be arrived at in the public service, and ways and means of measuring productivity. I, sir, may be a little old-fashioned, but I know that there is a certain idiom that prevails among some people in politics and in the public service, a certain idiom of expression as to productivity measurements, and PPBS, and

## INTERIM SUPPLY

(MR. SCHREYER cont'd) . . . . management by objective, and various other sort of in-style au courant systems analyses, and to some extent some of these sometimes prove out, and a lot of it is just jargon, sir.

MR. CHAIRMAN: Resolution before the House - passed.

I refer honourable members to Page 9 of your Estimates book. Resolution 20(a). The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, last evening I had just commenced my remarks . . .

MR. CHAIRMAN: Resolution 20(a) . . .

MR. SCHREYER: Mr. Chairman, I understand that procedure is such that I should now indicate and ask for leave, if there is leave; if not, we will simply carry on in committee to consider the Estimates of the Department of the Attorney-General. If there is a disposition, however, on the part of honourable members to grant leave, I would then propose to move - I'm not moving it yet - I would propose to move that the Chair rise and report, and that the Speaker take the Chair and then come back into Supply and then carry on from there. If there is such leave.

MR. CHAIRMAN: Agreed? (Agreed) All right. Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered Interim Supply, has directed me to report same, and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, by leave then, I move, seconded by the Honourable the Minister of Urban Affairs, that the Resolution reported from the Committee of Supply be now read a second time and concurred in.

MOTION presented and carried

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, by leave I move, seconded by the Honourable the Minister of Consumer Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Ways and Means, with the Honourable Member for Logan in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: Resolved that towards making good the Supply granted to Her Majesty on account of certain expenses of the Public Service for the fiscal year ending the 31st day of March, 1976, the sum of \$246,009,325, being 25 percent of the amount of several items voted for the departments as set forth in the Main Estimates for the fiscal year ending the 31st day of March, 1976, and laid before the Legislative Assembly at the present Session of the Legislature, be granted out of the Consolidated Fund. Motion passed? The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, one question to the First Minister. I wonder if he could indicate whether there is a figure in this amount on Interim Supply, the percentage increase for the civil service that had been calculated prior to bargaining?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well there is, Mr. Speaker, indirectly, in the sense that this Bill is asking for the authority to be voted by honourable members for one-quarter of the Main Estimates supply. The Main Estimates Supply do have a figure. But again, as the Honourable Member for Riel will appreciate, that figure is with respect to future negotiations which have not been consummated, in fact which have really hardly got under way and therefore it is most deliberately a crude approximation so as not to be read or interpreted as being definitive in determining of the results of the bargaining process. That figure, sir, is in the Main Estimates. I couldn't swear to it as to whether it's 12 or 13 or 14 percent, or in that order.

## WAYS AND MEANS

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have a question for the First Minister. I had already asked him prior to today whether there was to be any additional supplementary estimates presented, and I don't want to deal with that - I want to deal with the question of Interim Supply at this point. I wonder if he can indicate to the Committee whether it's the government's intention to use part of the Interim Supply for increasing the Property Tax Credit Program by an additional amount over and above the amounts that have been announced in the past, and whether this would apply equally as well to the cost of living program, tax credit program that is in operation.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I can answer in two parts to that question. The first is that that is not the intent. The second is, of course, that more than the intent, I don't believe that it is possible under financial administration to ask for Interim Supply on other than programs that are already in place and at current levels, and therefore I don't believe that it would be permissible to ask for authority by Interim Supply to launch a new program or to extend an already existing program. That's my interpretation and I'm quite happy to have it checked further.

MR. SPIVAK: Well then, I take it the First Minister is indicating that the Property Tax Program in the Estimates, the full Estimates, part of the Interim Supply which we are now granting, 25 percent, would not include an increase in the Property Tax Program.

MR. SCHREYER: Well, Mr. Speaker, I thought I'd indicated to the Leader of the Opposition - perhaps I did not - late last week, that any such matter such as he refers to would be the proper subject matter for inclusion in the Budget Address - that and the subsequent messages.

MR. SPIVAK: Just a technical problem to the First Minister. If Interim Supply is granted based on these Estimates, matters referred into the Budget as a budgetary item to be dealt with by the government, how will the government be in a position to disburse that until the actual estimates are passed, the supplementary estimates are passed, and the bill dealing with the Budget and the capital items are passed? In which case, how is the government in a position to deal with the funding of any increased program? Where does the money come from?

MR. SCHREYER: Well, Mr. Speaker, again, it seems that the Honourable Leader of the Opposition's questions lend themselves each time to an answer in two parts. The first point in this case, sir, would be to indicate to the Honourable the Leader of the Opposition that the Tax Credit Program works on a one year time-lag basis, and therefore Interim Supply for the first quarter of calendar 1975 would not be relating to tax credit program that might be changed - I say "might" - that might be changed for calendar 1975 which would not be disburseable in whole until the end of that fiscal year. So there's a one year time-lag involved in the tax credit program, which is one reason that we do not have to ask for adjustments by way of Interim Supply.

The second is that if there were the intent to increase, let us say one of the tax credit programs or any transfer payment program to local governments supposedly, then we could handle that if that were the decision. We could obtain the necessary financing by way of a Supplementary Supply procedure, not Interim Supply.

MR. SPIVAK: Well, I appreciate the First Minister's answer and I recognize that what he is saying is correct in terms of the full payout, but the practice has been of the government, and I would assume that this will be the practice as well, that there is immediately a direct payment not to the individual, but a credit to the individual by way of a direct payment to the municipality or city, and that in effect with a property tax rise estimated in the City of Winnipeg to average about \$150, in order to minimize the direct consequences the government will probably increase the tax credit program and the basic amount that would be paid directly to the municipality.

Now I think, Mr. Chairman - and we can play games here if we want to - but if we're being asked to approve an Interim Supply of \$250 million, I believe we have a right to ask the government directly what additional moneys are going to be paid to the municipalities, and to the City of Winnipeg, and to the other towns in Manitoba, and other cities, as a direct payment to the municipalities and the cities, on behalf of the property taxpayer, so the property taxpayer will know now or will know very shortly how much he is going to have to put out from his own pocket as a result of the increased property taxes that he will be paying.

## WAYS AND MEANS

MR. SCHREYER: Well, Mr. Speaker, the Leader of the Opposition is perfectly right in saying that he has the right, or the Opposition has the right, to solicit whatever information it feels is relevant, and in conceding that point - which is an obvious point - I merely add another obvious point that the government cannot reply or answer beyond that which is its present intent, and it reserves the right to make changes in policy at any time during a legislative session and certainly prior to a Budget Address. And really the telling point here is that if there were an intention to make certain adjustments that are of a significant budgetary or fiscal nature, they would be announced in the Budget Address itself, not in Interim Supply. And I might add once again that I do not regard Interim Supply as the proper vehicle for making the kind of adjustment that's being suggested, quite apart from the merits of the suggested adjustment itself.

MR. SPIVAK: Mr. Speaker, the government can obviously choose its time to make whatever announcements it wants to make but - well, it's a budget matter, it's also a matter which would normally be included in the estimates; the present property tax program is included as an expense within the Department of Finance now and if that amount is to be increased it is either a supplementary estimate that will have - well, it will be a supplementary estimate ultimately that will have to come in. And my problem, Mr. Chairman, and I think we have a right to pose the question, is that the \$250 million that is being asked for for Interim Supply, is it the government's intention of using any of that money to increase the Property Tax Credit Program and increase the direct payment to the municipalities, cities and towns on behalf of the property taxpayer? If that isn't the case, then that's fine, but if it is the case I think before we're asked to pass this we ask the government: Tell us whether that's your intention.

MR. SCHREYER: Well, Mr. Speaker, there is some increase inherent in the Interim Supply request that relates to municipalities, since that's the point that my honourable friend is dwelling on. There is in the Main Estimates, and therefore it's reflected to the extent of 25 percent in the Interim Supply, an increase of almost exactly 20 percent in the unconditional grants financing to municipalities. There is also some growth by numbers, not by any change in the rates; and I make that important distinction. There is some increase by virtue of numbers in the amount that is required for the tax credit program, but we are not changing the rates and therefore we are not asking for any funds to cover any change in rates in the Interim Supply, and if any change in the rate is contemplated, that, sir, really, I would really argue quite consistently, is a proper matter for the Budget Address itself.

MR. SPIVAK: Mr. Speaker, I think the Premier knows very well that I'm not talking about the unconditional grants and he knows very well that I'm not talking about anything other than the property tax rebate program. And what I am asking again is in the \$250 million that this House or this Committee is being asked to approve, that there can be an undertaking from him that it's not intended to use any of this money for an additional amount to be paid directly to municipalities, cities and towns on behalf of the property taxpayer. And if it is the intention to use some of this amount, which the government is entitled to do if that is their intention, I would think that we are entitled to know what amount the government intends to use, and to know whether it's included in the amount of the estimate, 25 percent of which we're asked to approve now. And if it's not, then I think we are entitled to know what the government's intending to do before we're asked to approve \$250 million. And so that it would be very clear, Mr. Chairman, because I don't want to appear that I may have confused or fuzed this up in any way, I want to say to the First Minister: We are being asked to approve \$250 million. Of that \$250 million, is it the government's intention to increase the amount payable to the municipalities, towns or cities, on behalf of the property taxpayer in Manitoba? And if it is, then I think we should know what amount is involved.

MR. SCHREYER: Well, Mr. Speaker, to repeat, there is no such request for additional financing beyond that which is required to finance the existing programs of financial assistance to municipalities and property tax credit at current rates. So I think that's a very definitive answer to my honourable friend.

I might add, secondly, sir, that I'm not disappointed. I'm a little flabbergasted, though, to witness the Opposition offering to approve more, rather than less, in the way of estimates of spending. I shall file that away in my mental index for a future occasion. But, clearly, there is some urging here that there ought to be more rather than less requested by the Crown.

The third point, sir, is that I believe we're in Committee of Ways and Means now and

WAYS AND MEANS

(MR. SCHREYER cont'd) . . . . not in Committee of Supply, and therefore the questions as to expenditure ought properly to be kept for that time. Now in Ways and Means we deal with, well, as the words imply, the ways and means for raising of the Supply.

MR. CHAIRMAN: . . . is well taken, Resolution -- passed. Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Ways and Means has considered a certain resolution, has asked me to report same, and begs leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson, that the report of the Committee be received.

MOTION presented and carried.

INTERIM SUPPLY - BILL NO. 7

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, by leave I move, seconded by the Honourable the House Leader, Minister of Mines and Resources, that the resolution reported from Committee of Ways and Means be now read a second time and concurred in.

MOTION presented and carried.

Mr. Schreyer introduced, by leave, Bill No. 7, an Act for granting to Her Majesty Certain Sums of Money for the Public Service of the Province for the fiscal year ending the 31st of March, 1976.

MR. SPEAKER: So ordered. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I suspect that it's at this stage that someone will want to adjourn debate, although I'm not sure.

MR. SPEAKER: The Honourable First Minister.

Mr. Schreyer, by leave, presented Bill No. 7, an Act for granting to Her Majesty Certain Sums of Money for the Public Service of the Province for the fiscal year ending the 31st of March, 1976, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I move, seconded by the Honourable Member from Gladstone, debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I suggest we call it 4:30.

MR. SPEAKER: Thank you. Private Members' hour, Tuesday; the first item is Private Members Bills. There are none. Public Bills also. None. Private Members Resolutions. Resolution No. 2, the Honourable Member for St. James is absent, therefore, No. 3, the Honourable Member for Riel.

. . . . continued on next page

PRIVATE MEMBERS' HOUR - RESOLUTIONS

MR. CRAIK: Mr. Speaker . . .

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Excuse me. Just so that somebody will not have defaulted because we are a couple of minutes early, is the Member for St. James intending to forego it today?

MR. JORGENSEN: The Member for St. James isn't ready to go, but the Member for . . .

MR. GREEN: Then I don't think we should - oh, in other words, it won't be accidentally that he is missing his right.

MR. JORGENSEN: No.

MR. GREEN: Okay.

RESOLUTION NO. 3

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Lakeside, that

WHEREAS it is the Government's policy to educate and encourage people of Manitoba to conserve energy;

AND WHEREAS it is in the best interest of Canadians and Manitobans to conserve all sources of energy, either renewable or non-renewable;

AND WHEREAS the heating of residential and commercial buildings consumes large amounts of energy;

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of allowing energy-conserving materials and energy recovery equipment utilized in buildings to be provincially sales tax exempt;

AND FURTHER THAT the government recommend to the Federal Government to similarly allow the purchase of heat conserving materials and heat recovery equipment utilized in buildings to be federal sales tax exempt.

MOTION presented.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I thought perhaps you yourself, having some technical background and this resolution not being written in French, that you would perhaps take the opportunity to read it over yourself, Mr. Speaker, and read it aloud again just to drive home the importance of this particular resolution.

The resolution, as it is indicated, Mr. Speaker, recommends that we recognize the extreme importance of moving more rapidly now than ever before in our history, to provide energy-conserving measures in the province of Manitoba. We know that our province, being centrally located in the northern latitude, has one of the most severe climates of any population of one million that you'll find anywhere in the world, and as a result, we have no alternative but to prepare ourselves as well as we can for the future years when we know very well, from recent times in the last year, that we are facing the energy crunch. And, Mr. Speaker, this spells not only energy shortages, but very much higher energy prices. We can likely expect the costs of energy to escalate at a rate which is higher than the average rate of inflation, and we all know that that rate itself is something that's giving us all great concern right at the present time.

So the resolution asks, Mr. Speaker, that we immediately take recognition of the fact that at the present time there is a deterrent put on insulating and heat conserving devices by the imposition of both federal sales tax and by the imposition of the provincial sales tax, and when you add 12 compounded by another five, Mr. Speaker, it increases the cost of our products that we use for energy-conserving purposes by a total of the order of probably close to 20 percent higher than it would normally be without those taxes imposed.

So therefore it requests, first of all, that we take it off insulating materials, that is insulating materials that we use in buildings, and also off, Mr. Speaker, heat-conserving devices, because we've seen in recent times much greater recognition of technical devices which can conserve heat, and these are devices that take possibly contaminated air, in many cases, and exhaust it. Where we may traditionally have simply exhausted it at great cost in terms of energy and in terms of cost, financial cost, we now see devices being developed and becoming practical where we can remove the heat from the contaminated air, or polluted air, and have it recovered to the replacement air that goes into many of our residential and commercial establishments. But both of these, the insulation to start with, and the tax on the

## RESOLUTION 3

(MR. CRAIK cont'd) . . . .energy-conserving devices, are a deterrent to encouraging the utilization of these. And this is one small thing that can be done in the right direction to encourage Canadians, and particularly Manitobans, to become conscious of the necessity to include good design, adequate design, into their homes and into their commercial establishments.

Now, the heat requirements of the province for this purpose are the largest of any other category that we find. If you look at the report put out by the Energy Council in Manitoba, you'll find that the requirements for residential and commercial in Manitoba are significantly higher, twice as high, roughly twice as high as the industrial consumption in Manitoba; and secondly, that it's about 25 percent higher than that required for transport. So that it leads the field. The energy requirements for residential and commercial in Manitoba by far and large leads the field over the other energy requirements of the province, and it's one area that is very easy by proper incentives to get people to change. You can do it by removing the tax and encouraging the Federal Government to remove the tax and make people conscious of the requirement.

I doubt very much that it has any serious imposition on the amount of money that either governments take in by way of taxes off these products, so it's not a large measure in terms of the financial resources being depleted to the province or to the Federal Government, but it is an extremely large measure in providing incentive for people to better design their homes and to better design their buildings.

I think also that, in addition to taxation consideration, there are a number of other things that can very easily be done by way of regulation. I would say, for instance, that the Central Mortgage and Housing Corporation is long overdue in recognizing a higher standard for insulation of homes. It has been with a great deal of concern to many people in the technical design field, for instance, that only 2 1/2 inches of insulation in a normal residential home has for years been the sort of minimum requirement, and of course most homes are designed to the minimum requirement. There's absolutely no reason on earth why the higher requirement to, say, the full depth of the two by four in the building is not required to be filled by insulation.

There are many other examples. There is the question of, in this part of the country, double glazing of windows has always been the standard. It's been known for years that triple glazing of windows in the climate that we have in Manitoba is much more sensible from the economic point of view, not only now but have been for many years, for the last decade. Any person that is building a home, if he took into account the amount of heat lost, would have put triple-glazed windows in his house - and many have, Mr. Speaker. Those products like that, a triple-glazed window should have the tax removed, and they should be encouraged at the federal level to remove the tax from triple-glazed windows. It would provide the encouragement locally for people to put in this type of insulation in their windows rather than going to the more traditional double-glazed window or the single-glazed with the storm window that's put on in the wintertime.

So there are measures, Mr. Speaker, that are both financial and technical. The technical lie considerably out of the realm of influence of the Provincial Government. They lie particularly with the body structure at Central Mortgage and Housing, who lay down the requirements for the construction of housing since most of it comes under the mortgage authority of the Central Mortgage and Housing Corporation.

The document, Mr. Speaker, that had been put out by the Manitoba Energy Council this year, which is its first one, is well worth reading for people who want a very preliminary introduction to the over-all energy picture in Manitoba. It perhaps doesn't go far enough and point out that we have a very considerable concern on our hands right now about the energy supply picture. We know, for instance, that we have grown to be very dependent on natural gas for domestic heating in Manitoba, but we're also advised, and the House has been advised, that the natural gas supply picture is such that we will have no new connections for home-heating purposes in the next two years. The local supply company already knows that we're not going to be able to get additional supplies from the Province of Alberta over the next two years. Therefore, we're faced with a picture here where we're forced into, in domestic applications, almost forced into, whether you like it or not, into electric heat. Now, it

## RESOLUTION 3

(MR. CRAIK cont'd) . . . . doesn't mean you couldn't put in oil heat, but with the future oil supply picture being what it is then it's questionable whether we should be recommending to the people of Manitoba to go to any other source of energy other than electrical. Now, if that's the case, if we have to go to electrical for both our residential and commercial building establishments, then we naturally have to go to electrical heat standards, and electrical heat standards do put on the requirement by Manitoba Hydro that you go to these more efficient insulating requirements. But that also means you're going to a higher cost, a much higher cost, to do it. So there again, as a result of the changing energy picture and the sort of coercion that is being put on people to go into electric heat through Manitoba Hydro, we should be making it easier for them to make that transition. And again, the removal of the 5 percent sales tax on these materials and equipment as well as the removal of the federal 12 percent sales tax can provide a much easier transition.

The report points out here that to make the transition from these other sources, such as natural gas and oil, to electrical is a very difficult transition. It's not going to be easy. And also it points out, in conclusion, saying, "Manitoba therefore will continue to rely heavily on the import of energy products in order to satisfy local consumption needs." So there's no good reason why we should think that the electrical industry can provide us with an answer to our future energy requirements, but we are going to be forced, particularly in domestic and commercial buildings, into going into that form of energy supply, and therefore we have to go to better forms of insulation in order to get an economic and efficient use of that energy.

You can argue it from many other points of view. You can argue it from an environmental point of view, if you like, that the best interests are served by conserving energy. An environmentalist, a dedicated environmentalist, can stand up and make probably one of the most telling arguments that can possibly be made for the conservation of energy. The dedicated environmentalist in fact, Mr. Speaker, will say that there should be a freeze put on energy production. Well that may sound anomalous to freeze energy, but in fact many points of view in the country, even in this cold climate, will back up the claim that energy should be considered the luxury it really is, and that what we should be doing is taking the amount of energy supply we have here and treating it with a much greater degree of respect than we've treated it with in the past. Particularly, as this report itself indicates - the report put out by this government in the last few months - by far the greatest demand and the continuing demand for energy is going to be for heating our houses and heating other buildings, and this of course is what is of greatest importance to people at this time. People will forego transportation before they'll turn their thermostats down in their homes. So by this one small measure of removing the sales tax and encouraging the Federal Government to remove their sales tax on these products, we can at least assist Manitobans in making the transition.

So I trust, Mr. Speaker, that this resolution will recommend itself to the House and will find no difficulty on both sides in supporting it.

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

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, this morning the wife of the former Minister of Finance bought a blanket. Last Saturday the former Minister of Finance bought a suit, a new suit. They paid a sales tax on both of these items, and Mr. Speaker, I have no intention of trying to save the former Minister of Finance money on items like this - or his wife. The Minister of Finance pays the bills, the former Minister of Finance. If the government implemented this resolution, both of these items would have been non-taxable and the former Minister of Finance would have been saved the sum of the sales tax on these two items. And I have no intention of supporting any move that would have saved him that kind of money.

I intend, Mr. Speaker, to oppose this resolution, and we as a group intend to oppose it, basically because it is inequitable and it's an improper way of achieving the objective as stated in the Whereases.

The basic problem with this resolution is that it does what the Tories do so often. It proposes an exemption from taxation which would primarily benefit big businesses, large corporations, rather than individual citizens. If you were to exempt from the sales tax purchases for energy, conservation materials and equipment for buildings, the savings will be far more substantial for buildings which are used for commercial purposes rather than for homes, for individuals. And it's amazing, Mr. Speaker, how consistent the Tories are in this

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(MR. WALLY JOHANNSON cont'd) . . . . area. Almost invariably, almost invariably when they propose a tax measure in this House or before the people, they propose a tax measure or a tax saving that will benefit primarily those who have a great deal, and which will benefit those who have very little, very little.

Now there's another aspect to this which is interesting, Mr. Speaker. The Tory Party is a party supposedly, we are told, of free enterprisers. Free enterprise. And the Honourable Member for Souris-Killarney is a staunch free enterpriser. And I'm going to be interested to see whether he will rise up and support this resolution, because what this resolution asks is that the taxpayers should pay to help make businesses more efficient. The Honourable Member for Souris-Killarney believes that businessmen should stand on their own two feet, and he shouldn't be supporting a resolution that asks the taxpayers to help him stand on his own two feet.

Mr. Speaker, in 1948, Harry Truman made a statement about his opponent in the presidential election, Thomas Dewey, and he characterized Dewey as one of those who are good for the rich but bad for the poor. And Mr. Speaker, I think we can characterize the Honourable Member for Riel as one of those who is good for the rich but bad for the poor.

Mr. Speaker, tax incentives are proposed for many purposes, for many different kinds of purposes, and if one goes back into Canadian history, one can trace the history of various kinds of tax incentives. For example, during the French regime, the old French regime, Tallon (?) the great intendant, proposed incentives to help populate New France, proposed incentives that would result in people producing more children. And so far the Tories haven't brought forth a tax incentive in this area, but if we wait long enough perhaps they will. -- (Interjection) -- Yes, that is one way of keeping warm, as my seat mate says.

Mr. Speaker, it's doubtful if a tax incentive is really necessary to convince people of the need to conserve energy. We are constantly being bombarded, not only by the Member for Riel but by the media, about the need to conserve energy. I think this is a constant message that is coming across and has come across in the media for a number of years. I think people are aware of the need to conserve energy. I think really that the Manitoba Government is to be commended in its efforts to preserve and to develop renewable resources, and this is I think one of the most significant things that this government has done. The Government of Manitoba has adopted a policy of attempting to provide renewable Hydro Electric power and to reduce the crisis for Manitobans to manageable proportions. And in this time of energy shortages and rapidly increasing prices for petroleum products, Manitoba's really fortunate to have a resource like the Nelson River, and it's fortunate to have a government with the vision, the foresight, the imagination, to attempt to develop this resource to the fullest possible extent. The Premier has made numerous speeches endorsing the concept of trying to develop to the maximum renewable resources, and I do hope that he continues these efforts.

Mr. Speaker, we as Manitobans can be justifiably pleased with the progress of power generation on the Nelson River, the storage provisions in Lake Winnipeg, and the supply of additional power from the diversion of the Churchill River.

MR. WATT: Would the honourable member permit a question?

MR. JOHANNSON: Certainly.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Is the price of Hydro Electric power to the average Manitoban going down or going up?

MR. JOHANNSON: Mr. Speaker, the price is going up, but I understand that we have about the second lowest power rates on the North American continent. Now, Mr. Speaker, that's not the best, but it's not bad if we're second best. And this is a public utility run by the people of Manitoba, this is a public utility owned by the people of Manitoba, run by the people of Manitoba, and I think its record in providing low cost power for the people of Manitoba --(Interjection)-- second to one, yes. But the performance is enviable. So we have, Mr. Speaker, in the production of low cost Hydro Electric power one of the finest systems in North America, and we're proud of that system.

One of the areas where prices are rising much more rapidly than Hydro Electric power is of course in the area of petroleum products, and I would remind the members opposite that their colleagues, who now form the Government of Alberta, are probably the moving force in

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(MR. JOHANNSSON cont'd) . . . . attempting to increase to the maximum prices of petroleum products, and that's going to have an adverse effect on Manitoba and on the people of Canada.

The government, I think, is to be commended in other areas. The Government of Manitoba has taken a keen interest in energy conservation, and in August of last year an office of Energy Conservation was established within the Department of Industry and Commerce. In December of last year, a three-man committee was appointed to act as technical advisers to this office. And the Office of Energy Conservation has been busy in the area of providing information to the public.

The Office of Energy Conservation has issued a series of articles. The members opposite should be aware of the articles, and if they're not, I will read - no, I won't read them; I don't have time to read them to members opposite - but these are articles published for Manitobans by the Office of Energy Conservation. There's been a whole series published.

The first was December 13, 1974, published by the News Service of the Manitoba Government, and the heading is: "This is the first in a series of articles in energy conservation prepared by the Office of Energy Conservation, Manitoba Department of Industry and Commerce. For further information contact the Office of Energy Conservation." The phone number is given. And the first item provides - or the first article provides some pointers for home conservation of energy. This is available to the public and the office is anxious to provide information to the public. I'll forego reading them for the benefit of honourable members. The first article was December 13, 1974.

The second article, January 17, 1975: "Think conservation. Motorists can help save energy."

The third item, the third article, January 24th: "Think energy conservation. All can help slow down consumption."

I would urge the honourable members to read these articles and to help make them available to their constituents, who I am sure are equally interested in energy conservation. The Office, I gather, has received numerous enquiries from the public concerning energy conservation, and it is providing information that is requested of it.

There is another objection to a sales tax exemption in this area, and that objection is that the sales tax legislation and exemptions from it are generally based on broad categories of goods and services, and not on the class of purchaser or the use to which the purchase is put. So this would be a deviation from the original principles of the sales tax, which of course were established by that group when it formed the government. It of course was the government that implemented the five percent sales tax, although from listening to them now and over the past few years, you know, one would really wonder how they ever implemented that sales tax, judging by the comments we get now.

Another objection would be that the loss of revenue that would result from such an exemption would simply mean less resources in the Consolidated Revenue Fund to carry out important research into energy conservation. That, Mr. Speaker, depends on how one defines the items which are supposed to be exempt from the tax, and that the definition be provided, for there really is no definition in the resolution; it's very vague; it's very vague, and of course this would be a matter for research to determine.

Mr. Speaker, there are a lot of things that could be done to provide incentives to conserve energy, to conserve energy, and some of them were provided by the Honourable Donald Macdonald, the Minister of Energy in the Federal Government. He tabled a number of suggestions in the House of Commons -- (Interjection)-- Pardon? The Honourable Minister tabled a number of suggested alternatives in the House of Commons and they included the following, and I provide them for the information of the members opposite:

Rapid depreciation of investment in improving the energy efficiency of structures.

Rapid depreciation of investment in improving the energy efficiency of industrial processes.

Remove sales tax on specific pieces of equipment that improve energy deficiency.

Remove sales tax on insulation, which would probably fit within the resolution of honourable members opposite.

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(MR. JOHANNSON cont'd) . . . .

Tax appliances, according to energy deficiency.

Remove exemptions as business expenses from private cars and large planes, as a means of conserving energy.

Provide an interim improved tax on car weight.

Tax car performance. Tax air conditioners, car air conditioners. Tax motorized recreation vehicles.

Another measure which members might want to support as a means of conserving energy would be to provide a mandatory speed limit of 55 miles per hour or lower. The less speed you use on your car the less energy you conserve. I can recall my father in my younger days telling me that I was going to save a great deal in terms of gas consumption if I drove only 30 miles an hour instead of 60. And it's certainly true. If one reduces the speed limit to 55 or to 50, there would be immense savings in energy, there'd be immense savings probably in lives, according to studies that are available through the Minister of Highways.

So, Mr. Speaker, our group does not intend to support this Resolution. We intend to vote against it.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: I direct a question to the member. I wonder if he could indicate whether he has in fact read the report of the Manitoba Energy Council that was supplied to the members.

MR. SPEAKER: The Honourable Member from Assiniboia.

MR. CRAIK: Mr. Speaker, I wonder if I might ask him another question . . . is how he sees, how he regards a less consumption of energy at home, which is the primary consumer of energy indicated, how this can be interpreted as a benefit to business.

MR. SPEAKER: The Honourable Member for St. Matthews. One minute left.

MR. JOHANNSON: My basic reason for opposing this Resolution is that it is an inequitable measure in the taxation field, and it would provide immeasurably higher benefits to the owner of a business than it would to the owner of a house.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I just intend to take a few minutes because I'm sure most members in the House know what is my feeling in respect to sales tax when it comes to residential or accommodation, and as far as I'm concerned, I think the less the government do tax housings and accommodation the better it's going to be in the long run, because I believe it's through the Municipal Government, the Federal Government, the Provincial Government, through their legislation for their taxation policies and through their land policies, that's why we find ourselves today in a shortage of residential homes. Mr. Speaker, I know that the members have heard me on this issue before. As far as tax is concerned, I feel that the less we tax materials that go into components of homes, of accommodation, the better it'll be, the more housing we will have, and this is the reason that we find ourselves in the situation that we do, as far as housings are concerned.

The point that I wish to make, and I know that the Member for Riel, when he introduced this Resolution, zeroed in on the taxation of the provincial sales tax and the federal tax and I have no argument, but perhaps I can indicate to him and to the members of the House that the present federal tax has been reduced from 11 percent by 5 percent - it's been reduced down to 5 percent at the present time. So there has been a considerable reduction, more than 50 percent, by the Federal Government. Perhaps if the present government could at least give consideration or the same consideration by reducing their portion by 50 percent, we would be making some headway in this area.

But perhaps the biggest thing that we should come to grips with and should zero in on, Mr. Speaker, is the Building Code, the insulation, the heating systems, the subdivisions and the size of lots, because this is the area that I believe you would make large gains and have considerable amount of savings; because I believe we can make an impact on the National Building Code and the housing building codes to change some of their regulations, which would help as far as saving of energy is concerned. I know that insulation, it may cost to insulate a house perhaps \$150 more by using 4-inch insulation instead of 2-inch. It might cost \$150 more, but you will save that much in the first year in the way of heat. The first year you'll save that much. So I think it's reasonable to say that we should try and put some emphasis as far as the building codes are concerned.

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(MR. PATRICK cont'd)

The other point is, I know that some of the research that has been done in this area, Mr. Speaker, indicates that designing subdivisions and clusterings in accordance with the natural resources and in efficiently making the streets and utility lines and so on, not making the lots as large, will also save a considerable amount of energy and resources. Mr. Speaker, just a few years ago I did present a resolution to this House for the province to accept the National Building Code standards, which I think we were the only province that did not use the National Building Code standards as far as the public buildings were concerned in this province. I know that it has been accepted and the public buildings have to adhere to the minimum standards; they have to provide wider staircases and wider doors, and even today we find some of the public buildings still haven't got elevators. I know the Planetarium, Mr. Speaker, has a circular stairway and there's many people, one in seven, have some kind of a handicap and they cannot get into that place, into that facility. There's no elevator in it.

Well, I hope, Mr. Speaker, I hope that the Minister of Health and Social Development will get up and debate this Resolution because I have been involved to a great extent as far as architectural barriers are concerned for the handicapped people. I've spent a considerable amount of time when many of the projects were coming up in the city. The Richardson Centre, the Polo Park Shopping Centre, many of these things we had to meet with the architects to make sure that provisions be made for handicapped people. --(Interjection)-- Well, I know the Minister for Urban Affairs knows quite well that - you know, I've taken quite a bit of his time when a school was built and we were told by the administrators that we will not put an elevator in a two-storey school, and still that school has to provide courses and education to the handicapped people that cannot get up the stairways, they have to be in wheelchairs, and I give him credit that it took a year or so before he'd admit it. So, Mr. Speaker, when I talk about architectural barriers, when I talk about the National Building Code, I know what I'm talking about. I've spent some years with an organization, Canadian Paraplegic Association, and I know the problems and the handicaps that these people have.

But I'm getting off the subject. All I want to say, that I have no reason to oppose the Resolution. We are supporting it. All I do want to point out to the Member for Riel, the federal tax has been reduced down to 5 percent from 11 or 12 percent, and perhaps the Provincial Government can do the same, and maybe we can put more emphasis as far as the building codes are concerned.

MR. SPEAKER: The Honourable Member for Sturgeon Creek,

MR. F. JOHNSTON: Thank you, Mr. Speaker. Mr. Speaker, we have what I would call a very sensible resolution in front of us. The Honourable Member from Assiniboia obviously saw that. I don't think the Member from St. Matthews actually read it to really make the comment he did about the conserving of energy by using proper construction materials. You know, the most constructive energy-conserving suggestion that I've ever heard from the other side of the House was one day when the Minister of Public Works released a statement that said, "After a lot of experimenting, we found that by piling snow around the basement walls of a house we saved energy." You know, that is the best we've heard from that side of the House and he really didn't have to go and do any experimenting, we could have told him that a long time ago.

We also are very happy this year, Mr. Speaker, to know that we're not being blessed with some of the resolution amendments that we had last year that completely knocked us all off schedule and took it away from the motion. But let's get down to really the basis of what this Resolution says. It really doesn't matter whether you shower with a friend or not or whether you have a television set that conserves energy, it doesn't matter whether you have all kinds of things within your home that are going to really not use as much energy, if you're going to have to wear your overcoat most of the time while you're in the house.

We're talking about the heating system in the house and we're talking about conserving energy as far as heating systems are concerned, and the only way you're going to do that and be comfortable is to have better insulation, have better windows, etc., which will give you that comfort within your house. I don't even think the honourable members on the other side, Mr. Speaker, if they had all these energy-conserving things within their house, would really walk around freezing to death in it because somebody said, "Turn down your heat," because it just won't happen. The people will turn up their heat to be comfortable. So the way you'll

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(MR. F. JOHNSTON cont'd) . . . save that heat and have comfort is to have better insulation, better windows, and better construction generally.

That construction will not be put in a house if it's too expensive. And it isn't the builder that's going to benefit, as the member says. The builder will come to the people and he will say to him: "If you put in this type of insulation your house will cost 'X' number of dollars, but if you go to extreme and put in this type of insulation, you are going to pay much more. And I will be willing to bet, Mr. Speaker, that 90 percent of the people when they're buying a house will say, "Build it as economically as you can but make it look nice." So, it's not the builder that's going to benefit. You can actually have the two prices on it. But, Mr. Speaker, the way that people will put in these type of benefits in homes - and there are all kinds of them available, industry is developing them every day - but people will not put them in because they're much more expensive. Mr. Speaker, they're more expensive than the regular materials. So if you can take off the tax and bring them down to an equal cost with the other materials, you will then start to benefit the homeowner, you will then be in a position to start saving heat.

So let's not, you know, beat around the bush with this particular Resolution. It says that we should take the 5 percent sales tax off. The Federal Government has taken it off, down to 5, federally. The Federal Government has recognized that building costs are too high. Now this Provincial Government won't recognize that fact. And the building industry, when he says the construction or the contractor is going to benefit, he really doesn't care. He really doesn't care. All he want to do is present products to the people and the people usually will buy the cheapest, so if you get the cost of the expensive newly-developed insulation down, the people will put it into use.

So, Mr. Speaker, let's not go dreaming about the fact that because we can put out books and tell people to buy a different television set, to buy a different showerhead, or to buy this, or turn this light out or leave that light on is going to conserve energy. The way you'll conserve energy, in the heating field especially, is have insulation that will allow them to do it, because people will not be cold in this day and age. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. Mr. Speaker, I was really prompted to rise on this occasion to say a few words because of the contribution of the Honourable Member for St. Matthews, and of course, in support of the Resolution as presented by my colleague, the Honourable Member for Riel.

You know, I read the Resolution prior to its presentation by the Honourable Member for Riel. I listened to his presentation, and I thought, you know, how back to form the Honourable Member from Riel was from perhaps a week or two ago. I mean, here was a pretty straight-forward kind of a resolution that you could expect from an engineer. I read no deep ideological conflict in that Resolution. I thought it was a resolution that somehow caught the tenor of the situation, the concern for energy conservation. I think that we all share - I don't think it's a question of whether the NDP share it more than the Liberals or the Liberals more than the Conservatives; certainly the Liberal Government has shown some unique leadership in its concern for energy conservation as of late if you read the reports of a recent Cabinet Minister's Speech in the House of Commons. I know that - well, I know that my wife could particularly appreciate those suggestions made that one of the major contributions to energy conservation as being proposed by the Federal Government as of this day here, that when I take a bath with hot water I should not take the plug out, I should leave the hot . . . I should de-energize the water. Now, the fact is, as those negligent husbands know from time to time, that has a habit of leaving a bad ring, bathtub ring around the water when the water finally does go down. And so what the minister is really suggesting is that my wife use her energy, her elbow grease, in disposing of that ring, but I de-energize the water and I've made my contribution, as a patriotic Canadian, to the energy problem of this country.

But, sir, you know, the honourable members are getting me off track, and it's really the honourable members . . . that's off track. You know, really, what does Harry Truman or anybody else have to do with this resolution? For instance, when he singles out the Government of Alberta as being the leading force in the current high price of petrol energy, has he forgotten where the Arabs are? You know? Has he forgotten that there is an organization called OPEC? Is he suggesting that as Canadian producers that we should not concern

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(MR. ENNS cont'd) . . . ourselves with parity? Would, for instance, he suggest that the organized labour or union people in Canada should not be concerned at all with concerning themselves with parity of wages, with other countervailing organizations, particularly our neighbors to the south? So, in recognizing the value of the resource on the part of the Premier of Alberta, and recognizing, you know, recognizing what I think, deep down, the members opposite have recognized perhaps longer than we have, particularly when we're talking about non-renewable resources, those resources better return back to the people who own the resources, namely the people of Manitoba and the people of Canada, a fairer share, a more realistic share of their true value. And so for the honourable member to use this occasion to chastise that blue-eyed Arab of Alberta or Calgary, better known as Peter Lougheed, you know, that's simply not acceptable on this side of the House.

Now, Mr. Speaker, what is evident though, what is evident, though, in terms of the position as enunciated by the Honourable Member from St. Matthews, that when it comes to offering or suggesting any kind of a relief for the taxpayer they're against it. Any kind. They find ideological reasons that it will benefit a certain segment of the society, that it will be unequitable. What we're talking about and really the issue raised is: are we concerned about the conservation of energy or are we not? Are all of you really prepared to accept the lead by your Minister of Industry when the question became more and more prominent and the Minister of Industry and Commerce, your Minister of Industry and Commerce said, "It's nonsense. Keep all your lights on. Burn all the energy off that you want, because we've got lots," admittedly to the everlasting thanks of a government with some vision, not the vision of the honourable members opposite. You know, that has to be the end of all things, when the Honourable Member from St. Matthews talks about the vision that their government had in recognizing the untapped energy sources of the Nelson River or the Churchill Diversion. Now really, you know; fortunately sufficient water has run over the dams of Kettle, which we built and engineered and had the vision to put in place, sufficient water has run over that dam that even I, sir, at this time can see it, you know, with a degree of lightness, you know, and I don't get that exercised any more when I remember that at least a half a dozen of you ran your specific campaigns against the development of power on the Nelson River, against the Diversion of the Churchill River portion and likewise. And of course the Liberal Party was going to cut it all off. They were just going to stop, look and listen, period.

But, Mr. Speaker, the fact of the matter is, for them to suggest that they had any concern for maximizing the energy resources available to them . . . the tragedy of course and the people of Manitoba are now suffering it at the rate of 19 to 20 percent a year in increases in hydro rates, for the want of four feet they could have maximized those resources that he referred to. For the want of four feet, 854 is the level, --(Interjection)-- Yes. Yes, and they would have caused a tremendous amount of hardship and flooding of a community, of a disorganized community around South Indian Lake, which had a five year lead-time warning about it. They have now given another community exactly about 8 months lead-time warning at Nelson House that they're going to put 30 feet of water on. They're going to put 30 feet of water on. After million dollar schools have been built in that community. So that's the kind of fast, you know, ad hoc engineering advice they've accepted.

So, Mr. Speaker, I think the question of energy concern or energy conservation, you know, it simply isn't there and that's a tragedy, because that shows to what extent they're prepared to really accept some of the more serious problems that this country and the world faces. If, Mr. Speaker, they can't, the Government can't acknowledge in this day and age when jurisdictions around the world, around us, are attempting all kinds of measures albeit small measures in some instances: reduction of speed limits to 55 miles an hour, turning down our thermostats a few degrees, public efforts in terms of conserving energy, this Government automatically rejects a resolution, you know, as imperfect as it may be and unspelled out in terms of detail - we leave to you to write the regulations as the governing body of this province, and my honourable friend from Riel did not spell out the details. He's not to be criticized for not doing so. He recognized that that's within the ambit of the Government. But it's really, it's really in 1975 inconceivable that the New Democratic Party and the government of the day would reject, not the resolution - and let me resurrect another old one out of the time when we had this first go-round about how we should treat resolutions in this House with this government - they are rejecting just the "considering of the advisability of."

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(MR. ENNS cont'd) . . . . You know, Mr. Speaker, we're not even asking them to do what the resolution says; we're not even asking that. All that we're asking them is to consider the advisability of. And this Government puts the springs on and says no; somebody's going to profit from this; somebody owns an insulation factory in the Conservative benches; somebody's got some roofing paper in his warehouse that he wants to sell, you know. Well now, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: I think if the member's going to make accusations he should name the member and not leave this wide open.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, it's one of the tremendous privileges that I have that I sit with a group who have no problems in arising and standing up and identifying themselves if they have a conflict of interest in this House. And I know if, in this broad, brushing manner, I may have suggested a conflict of interest on the part of anybody, there's no difficulty that those members in my group would stand up and so properly be identified. I ask the question, for instance: "How would the honourable member feel, does the member feel the same way about considering the exemption of sales tax off of wheelchairs?" You know, would he reject that out of hand. Would he reject that out of hand because of the profits that may be accruing to a certain segment of the industry? Not so long ago, sir, a major service club made a contribution of a couple of wheelchairs to an organization here in the city and it cost them \$750 in sales tax alone.

A MEMBER: That's right.

MR. ENNS: Well, sir, I think that in a period of time, and as the budget will show us when the budget comes in, that a government that is accruing such tremendous benefits from inflation in terms of tax revenues, and when you consider that that initial 5 percent sales tax was designed to bring in, what? 40, 45 millions of dollars which considered a tremendous burden to the people of Manitoba at that time, is now well over a hundred millions of dollars, and, sir, when I can make the admission as a member of the government that brought in the sales tax that there were many features of that sales tax, quite frankly, that could and should have been described as nuisance features not worth the collecting of those particular areas - and some of them have been alleviated - but can we not now look and should we not now look at some additional areas, particularly as new priorities come into prominence? And I'm suggesting, and I'm sure most reasonable people will suggest, that the conservation of energy has certainly come into prominence in this country. If I'm being asked by my Federal Government to leave my hot water in my bathtub all day to be energized, you know, then maybe I could look forward to this government reconsidering the amount of taxation that they take on energy-saving devices or materials.

Mr. Speaker, you know, it bothers me when I watch my TV set at night, the kind of cross purposes that various government agencies get themselves into. I know that the department responsible for energy and energy conservation is - and they've already warned us - they're engaging in a massive effort to teach us and to educate us through the TV media and through printed brochures about the many different things, the many small ways that we as individual citizens should adopt in our daily lives to save and conserve energy. Yet, on the other hand, you flip, five minutes later or half an hour later you have another agency of government extolling the greater use of that same energy source. You know, I really don't know why, for instance, Manitoba Telephone System has to advertise as much as they do to encourage the greater and greater use of telephones. You know, we already have the reputation of being the highest per capita users of telephones in the North American Continent, and, you know, it's not as though Manitoba Telephone System is competing with five other telephone companies in the province. There is only one, and if I want to phone my Mother and make her happy I'm going to use the Manitoba Telephone System's equipment. So why the dollars spent on advertising that?

This matter was raised in a different context when the energy question was brought into being with respect to the practice of the Manitoba Hydro system. Should Manitoba Hydro be actively encouraging the kind of advertising that they do for a greater consumption and greater use of hydro at all times? Should they be doing that? And I think, quite frankly, I think it was the Member from Portage la Prairie that raised that matter with the First Minister.

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(MR. ENNS cont'd) . . . The First Minister has suggested that Hydro was no longer engaged in this kind of thing and I think the Member from Portage la Prairie indicated to him a full-page ad where Hydro was encouraging the users of Manitoba Hydro to buy more heating cord, to develop more and more ways of using energy and hydro.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm sure the honourable member would want to be accurate. The Honourable Member for Portage la Prairie produced a full-page ad in which Hydro was one of the institutional advertisers. It was an ad published by the electricity-selling industry generally, of which Hydro was one of the advertisers.

MR. ENNS: Mr. Speaker, I accept that as being probably the correct version of what took place, the point nonetheless being that I think if we begin to question the whole, you know, all-consuming kind of a society that we have talked ourselves into, then certainly government and government agencies could be expected to show some leadership and to lead the way out of that obsolescent type of all-consuming society that so many people quite rightfully - quite rightfully - are questioning.

So we have a situation, Mr. Speaker, where energy is a problem, the the probably number one problem to be faced, particularly, as the mover of the resolution indicated, in our climate, in our area of the world, where any move to conserve that energy should be supported and applauded. Amend it if you will, change it if you will, but certainly to reject it out of hand is inexcusable. Thank you, Mr. Speaker.

MR. SPEAKER: The hour of 5:30 having arrived . . . The Honourable Member for Morris first.

MR. JORGENSON: Mr. Speaker, perhaps the House Leader and I are going to suggest the same thing. I was just wondering, if we are going to go into Committee of Supply tonight, if he would not want to go into Committee of Supply right now before the adjournment hour.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I am completely in your hands. Now, it seems to me that we are going to adopt a procedure and we should try to see what is the better procedure: to go into Supply at 5:30, in which case the Chairman will be in the Chair and that has certain implications insofar as yourself is concerned, or to come back into the House and go into Supply. Now it would seem to me that it would be preferable to go into Supply right now, but I am in your hands.

MR. SPEAKER: Well the Chair has no difficulty . . .

MR. GREEN: I gather that the House Leader of the Conservative Party would agree with this.

MR. SPEAKER: The Chair has no difficulty. I'll take the extra moment to go into Committee of Supply, if that's what's the wish. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, on the point of order that's raised, I raise the matter of any member wishing to speak on a grievance, and if you make this a permanent part of the structure you cut this out, I believe.

MR. GREEN: The point is perfectly correct. If I made the motion and a member wished to get up on a grievance, he would rise before the Speaker left the Chair, in which case he would be recognized at 8:30 and the Speaker would have to come back even though he might not want to.

A MEMBER: Did you say 8:30?

MR. SPEAKER: 8:00 o'clock.

MR. GREEN: 8:00 o'clock, excuse me. So that will be preserved. I move, Mr. Speaker, seconded by the Honourable the Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

MR. SPEAKER: Before I accept the Honourable Member for Logan, one other point, gentlemen. If you do not wish to have your Speaker for the evening, then you'll have some other member adjourn the House for you as well tonight. The Honourable Member for Logan.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The hour being 5:30, I'm leaving the Chair to return at 8:00 p. m. this evening.