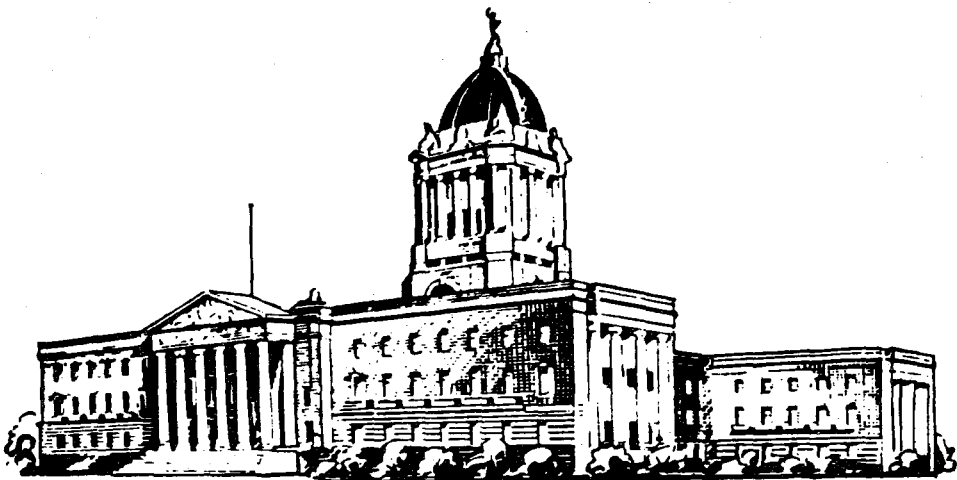




First Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

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10:00 a.m. Friday, December 2, 1977

THE LEGISLATIVE ASSEMBLY of MANITOBA

Friday, December 2, 1977

TIME: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Harry E. Graham (Birtle-Russell): I should like to direct the attention of the honourable members to the gallery on my left where we have 35 students of Grade 10 and 11 standing of the Swan River Senior High School. These students are under the direction of Mr. Hoehne. This school is located in the constituency of the Honourable Member for Swan River. On behalf of all the members, we bid you welcome.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports from Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Mines.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I wish to table the Annual Report of Manitoba Mineral Resources Ltd. for the year ending March 31st, 1977. I also wish to table a report prepared by the Manitoba Water Commission entitled "A Review of Agricultural Drainage in Manitoba". This study was commissioned by the previous minister. The study was completed earlier in the summer. He had a letter prepared at the time for its distribution but the election had been called and there were no MLAs to distribute it to. I therefore have left the former minister's letter attached to this and seeing as he is having some difficulty in adjusting to his role in the opposition, I thought I would do this as one last concession to him, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, on a point of order. The honourable minister's remarks are almost correct. I prepared the letter in June when I received the report to have it sent out. When I asked that it be sent out, they told me that it was not printed. The printed copies were received on October 4th or October 5th. By that time, I hadn't really been in the office that often and it awaited my honourable friend. But the report was finished in June and the letter prepared in June but printed copies were not received by the office until the last week of the administration.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, with the return of the honourable the Minister of Finance, from his meeting on energy matters in recent days, I should like to ask him whether he can indicate to the House that among the agenda items that definitive discussion did take place relative to future pricing on oil, domestic oil, for 1978.

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, the specific topic was not discussed at the meeting and as the First Minister knows, these agenda items that go on these meetings are evolved over some period of time. The only conclusion that can be drawn from it is that the decision made by the former Energy Ministers' meetings and the federal policy that evolved from it was the dollar a barrel increase every six months was not changed as a result of the meeting. The meeting dealt primarily with the home insulation program which was the prime item on the agenda and a number of other agenda items but not the question again, or for the second time, on the matter of the crude oil price increase.

MR. SCHREYER: Yes, Mr. Speaker. I thank the honourable minister for his reply. I realize that insulation programming was the main feature, nevertheless, I should like to ask the minister whether there are any arrangements now being made with respect to meeting on the projected future price adjustments on crude oil, at least insofar as calendar 1978 is concerned since no definitive agreements were reached in previous discussions with respect to pricing in calendar 1978?

MR. CRAIK: Mr. Speaker, I guess the specific answer is no, there is not a specific direction being taken to deal with that matter directly. The question regarding oil that preoccupied and does preoccupy the minds of the majority of the people involved in that conference is, at this point, the projections of future supply rather than the price.

MR. SCHREYER: Well, on that point, Sir, that is one point I can agree 100 percent with my honourable friend at least. Sir, I should like to ask the Minister of Finance if he can confirm to the House that he made, and is making, every effort to attempt to get some adjustment in the federal program bearing on insulation, particularly as regards the rather anomalous feature of the first year of eligibility, that is to say the year of construction of the home, because, well, under a Question Period I can't elaborate, Sir, but it is, I would think my honourable friend would agree, a very anomalous provision. Has he and is he making any efforts there?

MR. CRAIK: Well, that question, I do thank the Leader of the Opposition for giving me an opportunity to state that yes, our position was put very clearly that the program is an extremely inadequate program and that the bottom line of it is that the federal government made sufficient retreat as to withdraw the preconditions for all of the provinces to go into the program, which doesn't necessarily answer the problem, but did go further than that and said that they would now take into consideration the fact that the program was, from all practical purposes, ineffective and was inequitable in terms of the different regions of Canada, and have agreed to take into account not only that energy prices differ across Canada, but also they are now willing to recognize that weather conditions vary across Canada as well.

MR. SCHREYER: Mr. Speaker, I am pleased to hear about the slow but steady edification of the national officials. May I ask the honourable minister whether, notwithstanding the rather positive news that the pre-conditions are being lifted, can the honourable minister indicate whether he intends to pursue attempting to get either justification that is comprehensible or else a change with respect to the arbitrary setting of the year 1941 and 1921 as the initial years of eligibility as between two sister prairie provinces?

MR. CRAIK: Yes, Mr. Speaker, we understand, although they didn't say it officially, that they are going to alter the dates which we — when I say "we", I say the majority of the provinces — say that regardless of the change in dates, it still doesn't solve the basic problem of the basic inequities that will still exist in the program, and it is a question of whether or not the federal government was listening to us or not. They didn't say specifically what they were going to do. We trust from their response because they were very clearly hit very hard by the provinces about the inadequacies of the program that affects Manitoba and affects many other provinces as well. I would think and hope that we will see the changes be made by the federal government officials in the near future. We'll just have to wait and see, and if it hasn't happened in the next few months, there will be another conference of the ministers at that time.

MR. SCHREYER: Yes, Thank you, Sir. Since energy policy matters seem to be part of a continuing saga these days, could the honourable minister indicate if plans have been finalized with respect to a definite time for the next meeting of energy ministers?

MR. CRAIK: Yes, not a specific date, Mr. Speaker, but I would think that there will probably be another one in about six months.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question as well for the minister responsible for energy. At the meetings that were held in Ottawa in the last two days, did the minister have occasion to raise with federal officials the proposal that, I believe, the Conservative government here has made concerning the rerouting of the polar gas route through the Thompson area to accommodate the problems of unemployment or need for new development in that area?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, not at the conference *per se*, but we will be meeting with the Polar Gas people in Winnipeg here in about one week.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the minister indicate the intention or proposals that the government will be putting forward at that meeting. Are they asking for a new study to overlap or supersede the study that was undertaken that indicated that the route should go through the Long Lake, Ontario idea? Are they asking for a new study or are they simply putting forward suggestions of alternative schemes, and is the government also prepared to help finance a reexamination of the routing system?

MR. CRAIK: Well, Mr. Speaker, on that question as well, I think I can perhaps give much better information a week from now.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Finance, related to the

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energy policy of the province of Manitoba. Is the government of Manitoba maintaining the policy which the previous administration pursued, that despite provincial ownership of resources and primacy over jurisdiction of resources, the federal government does have the right, and should in the national interest, deal with problems which may arise, such as the price of oil, when it is not related to natural forces, and which the province of Manitoba pursued in a minority with other provinces? Is the government of Manitoba maintaining the policy that the national government does have some jurisdiction to deal with questions when they assume national importance?

MR. CRAIK: Basically yes, Mr. Speaker. We were prepared to take the same approach and had in hip pocket for the first opportunity to take the same tack and position that was taken by the former government in conjunction with Ontario and Nova Scotia, with regards to the pricing of oil.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, a related question, but I think perhaps more appropriately posed to the First Minister. In the aftermath of the Supreme Court decision as articulated by Mr. Justice Martland can the First Minister indicate if there is a sort of course of action being developed by the province of Manitoba in the light of the very important aspects of that decision?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, to the Honourable Leader of the Opposition, I take it he's referring to what is now known as the Segal case. The law officers of the Crown in conjunction with the officers of the Department of Finance are currently reviewing this. I have seen only preliminary reports with respect to this, what I'm sure to the Premier of Saskatchewan will be regarded as a landmark judgment, and I can assure you that we wish to ascertain what implications, if any, it has with respect to the taxation policies of the province of Manitoba. The fact that they were initiated by my honourable friends opposite is neither here nor there, particularly. But I think if does, of course, raise some concern, of which we have had only *prima facie* indications so far, initial indications so far, that there are some analagous situations in the Manitoba tax law to that of Saskatchewan, because I understand that the Saskatchewan law was looked at at the time amendments were made in the early 1970s to the Manitoba law. But we are not in a position to give a definitive statement *vis a vis* the Manitoba situation. It is being looked at by the experts at the present time. I doubt if anyone in the absence of a court can give a definitive statement on tax laws nowadays, particularly in the light of this new judgment, but it is being looked at and if there is anything useful that could be reported, we will certainly let you know.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Mines and Resources. Is it the position of the government that citizen groups will not be financed by the government and that they can only be financed if they do not criticize the government, which is the effect of the way the minister was reported in the newspapers in discussing the matter with the Environmental Council.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, it is not the intention of the government to cut off the financing of the citizens' group to which the honourable member refers.

The reports in the press were substantially correct in terms of the address that I'd made to the group with one exception with respect to the interest or lack of interest that I had in what the Council was doing.

MR. GREEN: Mr. Speaker, is the minister telling us that he will continue to advance moneys to the Environmental Council as long as they agree with the government and do not criticize the government? He's indicated that he will advance money. He also indicated that governments won't do this if the groups start criticizing. Is he now telling us, Mr. Speaker, that he will advance money until they start criticizing the government?

MR. RANSOM: The nature of the remarks that were made, Mr. Speaker, were made in the context of asking the group whether they felt they could be most effective in achieving their ends by being in the role of being financed by government. I was pointing out to them the dangers of being in that position. There is no indication that we will be cutting off that financing.

A MEMBER: Then there's no danger.

MR. GREEN: Mr. Speaker, was there any indication on the part of the Environmental Council that they were under any danger at any time in the past seven years when their attitude was almost universally hostile to the government and critical of the government?

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

MR. SAUL M. CHERNIACK: Mr. Speaker, I would like to direct a question to the Minister of Finance. Having already dealt with and settled the international problems of energy I have a problem over which he has complete control, I believe. He announced a few days ago that the period of time for a rebate of sales tax on the sale of a vehicle, in replacement of a vehicle, has been extended from 30 days to six months and since an Order-in-Council is not effective until it is gazetted, could he undertake to honour the commitment as of the date of the announcement since people have probably made decisions based on the announcement he has made? I believe that the gazetting may be in the next few days but decisions may have been made from the date of the announcement.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Well, Mr. Speaker, the Member for St. Johns is substantially correct, that it has to be gazetted first. The number of these cases is very few. It would appear that there were perhaps two or three going to Cabinet every couple of weeks to be dealt with and I would think that if there's a specific case we'll just have to deal with it as it comes. It hasn't come to our attention at this point.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, through you I would like to address a question to the Minister of Finance who attended the Energy Ministers' Conference the last day or so. I wonder if the honourable minister could advise is whether he took the opportunity to impress upon the federal government the need to make every effort to curtail exportation of natural gas from Canada which I understand runs in the order of between 35 and 40 percent of our total annual production.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, the answer is not specifically. The question of natural gas was not dealt with to any extent. The preoccupation of the meeting was other than the insulation program. It tended to deal with oil rather than with gas this time and so there weren't in-depth discussions taken on in that particular area.

MR. EVANS: Well, a supplementary to that then. I'm sure there will be many other conferences, certainly one or two, within the next year or so on this very vital topic. Would the Honourable Minister undertake to prepare a policy position on this particular matter, because it is a very vital matter, it is very critical in terms of national energy policy and as it affects the security of supply for centres in the province of Manitoba.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Well, Mr. Speaker, as the honourable member will recall our exchanges when we were on opposite sides of the House, I think he realizes that I recognize the importance of the natural gas conservation requirements for Canada, and in that connection I believe the decision to go with the Alcan Pipeline itself offers the best guarantee for the long-term preservation of natural gas supplies for Canada's use.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Again, related to the conference as I understand the focus was on energy conservation, did the honourable minister obtain any information as to how many homes in Manitoba have thus far taken advantage or have thus far been involved in the federal insulation program, which I understand has a 1921 cut-off, but was any information provided on how many Manitobans have thus far been involved in getting the benefits of this particular insulation program?

MR. CRAIK: Mr. Speaker, not from the Federal government, but our own guesses are that perhaps somewhere in the order of 100 to 150 would be a likely possible number, which the minister will realize is just very impractical.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, to the Minister of Finance in his capacity as Minister of Finance because of his absence at the National meeting, he may wish to take this as notice, in light of the information that there has been confirmation of willingness to participate in the underwriting of risk be it by loans or by guarantee or contingent liability, on the part of the co-operative movement generally and the province of Saskatchewan as well, in which case the province of Manitoba's position would be one of participation, perhaps in the 20 to 40 percentile range opposed to 80% or more, is the Minister of Finance in a position to confirm, based on this information, that Manitoba will reconsider the fate of the CCIL operation and the employment positions involved here.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, in reply to the question, it isn't a question of the province reconsidering, we have never had the door closed to proposals from CCIL. The decision that was made was made on the basis of the financial risk exposure that was contained in the former CCIL proposals regardless of which way they were looked at. They amounted to a substantial, financial risk and exposure to the province of Manitoba which could not be entertained. This does not suggest, Sir, that if they were to come back with a proposal which reduced or eliminated the risk to the province of Manitoba, that it could not be looked at and I understand that going back into history, at one time, there was a decision which was nearly arrived at to support CCIL and in that particular case there was a first position with regards to the assets in the event of failure of the company. That certainly wasn't true in the latter stages, so the door has not been closed to proposals, it was simply the decision that was communicated to CCIL a week ago last Friday, simply to clear the air for them, and in so doing we felt that it was a request on their part to have the air cleared, and we felt that we did it adequately at the time.

MR. SCHREYER: Well, Mr. Speaker, I thank the Honourable Minister for that rather extended reply. I would pose to the Minister of Finance this question: can we assume that there will be concerted systematic effort made in the course of the next few days, very few weeks, to ascertain whether in fact there is a possibility of this province, without undue disproportionate risk, joining with the co-op movement and the province of Saskatchewan in proportion to each other to continue the operations of this rather historic prairie co-operative.

MR. CRAIK: Mr. Speaker, I don't want to suggest that the Department of Finance is pursuing this, or that the government as a general policy feels that the ball is in our court. The ball is very clearly in the court of the proponent for support, namely CCIL, and we will respond to anything that comes from them but they are dealing not only with Manitoba, as you know, but with two other governments and with a number of financial sources by way of their own connections through the pools and credit unions, etc. in perhaps three different provinces.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HOWARD PAWLEY: Mr. Speaker, my question is directed to the Honourable Attorney-General.

In view of the revelations yesterday at the Laycraft inquiry in Edmonton, Alberta, I wonder if the Attorney General could advise the

House whether those revelations provide information beyond that which is presently in existence in the files of the Attorney-General pertaining to allegations of kick-backs, bribes, etc. involving police and municipal officials in various cities across western Canada?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, Sir, I will have to take that question as notice.

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, I would like to direct this to the Honourable Member for St. Vital, in response to the question that he asked me regarding the AIB, the statement that the price of food had increased by 12.7 percent. I believe he was referring to the food component consumer price index for Canada and it was quoted as 12.7. A comparable one for the Winnipeg consumer for the same period was 11.9. For Canada as a whole, the September '77 estimate for the industrial composite average weekly earnings was 10 percent, higher than in September '76, but for Manitoba it was just 6.7 percent.

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

MR. D. JAMES WALDING: Thank you, Mr. Speaker. I thank the honourable minister for her reply and note that the increase in wages for the province was 6.7 as against 11.9 for the increase in food prices, and would like to ask the honourable minister if she intends to take any steps to allow the wage earners of this province to make up that difference?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, the food component part only involves 27 percent of the whole part of the consumer price index.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, I have replies to questions placed by the Honourable Member for Lac du Bonnet on Tuesday.

One of the questions the honourable member asked was what was the policy of the government respecting the discharge of wastes into water courses from feedlots. I can say that I will review the policy of the government today because that is the policy of the previous administration, Mr. Speaker, because we have made no changes in that policy. So for the benefit of the honourable member, I can point out that Manitoba Regulation 3473 under the Clean Environment Act prohibits the discharge of waste from feedlots into water bodies. The policy of the previous administration was to enforce that regulation within the limits of the manpower resources that they had available. That meant that many cases went undetected and the regulation was unenforced. They responded largely to complaints and conducted random observations to detect violations of the regulation. There was also a program to assess the amount of contamination within particular watersheds, Mr. Speaker. That same course of action is being followed today.

The second question, Mr. Speaker, was what were the terms of a Clean Environment Commission order with respect to Tom Allison's feed lot at East Selkirk — in regard to Right Angle Farms, yes. In regard to that question, there was no Clean Environment Commission order, Mr. Speaker. Under Manitoba Regulation 3473, they were exempted from the necessity of a Clean Environment Commission order. The farm in question had registered, as of February 1st, 1973, which was in compliance with regulations under the Clean Environment Act. It should also be recorded that the Rural Municipality of St. Clements, by a resolution dated March 13th, 1973, approved the operation of the feed lot. Since that time, there have been at least six site inspections of the particular feed lot. There have been no observed contraventions of Manitoba Regulation 3473 and there is not sufficient justification to recommend action with respect to runoff flow that occurred on September 8th and 9th, 1977. My understanding is that during that period, there was a four-inch rain in the area which did result in some runoff that had not occurred previously. The particular feed lot was one of the first, I believe, that had constructed facilities that were recommended by the Manitoba Department of Agriculture. As far as my department can determine, they have met in every way the requirements that they were to carry out and at the moment there has been no direct relationship established between the run from off Right Angle Farms and the contamination of wells in East Selkirk.

MR. SPEAKER: Order please. May I point out to honourable members that questions are supposed to be fairly direct and the answers are supposed to be fairly short as well. If it's a long answer, I suggest that it be given in written form. The Honourable Member for Lac du Bonnet.

MR. SAM USKIW: Mr. Speaker, I would like to then ask the minister what the source of contamination is that resulted in a coliform count of 150,000 parts per million in Cooks Creek and the drain leading from the farm into an abandoned quarry which of course flows into the — water underground aquifer, 150,000 parts per million.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Well, Mr. Speaker, the water may run into the abandoned quarry but the connection between the abandoned quarry and the contamination of wells in East Selkirk has not been established.

MR. USKIW: Mr. Speaker, I appreciate that it's difficult to establish that connection. My question is, what is going to be done about the fact that that much effluent is flowing into an aquifer which may be the source of the problem, but which is difficult to establish?

MR. RANSOM: The particular instance in question, Mr. Speaker, as I understand it, occurred as a result of a fourinch rain in early September — an occurrence that is infrequent to say the least — and that other than on that occasion, there is no knowledge of runoff occurring from Right Angle Farms. The contamination of wells in East Selkirk was evident prior to that particular case.

MR. USKIW: Well, Mr. Speaker, I again put the question to the minister. Since it's evident that there is that much effluent flowing — at least it appears to be flowing — from that farm into both the drain and the creek, what is the department going to do to make certain that that does not occur? And I may suggest that it occurs on a regular basis with respect to Cooks Creek.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Attorney-General. Subsequent to previous questions, has the Attorney-General yet had an opportunity to be in direct conversation with either the federal Minister of Justice or the federal Minister of Finance to determine what the position of the federal government is in relation to changes in the Income Tax Act related to the Family Law Bill?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: No, Mr. Speaker, I've not yet had an opportunity to be in direct contact. The way the matter has been left in previous correspondence and correspondence I've written is that the federal

government are reviewing the situation and when they are in a position to advise us, they will so advise us.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the minister indicate whether he has been able to ascertain whether that review has now been completed and whether any conclusions have been drawn by the federal government concerning the amendments or changes that may be required to the Income Tax Act to take account of the family law legislation?

MR. MERCIER: Mr. Speaker, Sir, the latest information I have is that they have not yet completed their review.

MR. AXWORTHY: A final supplementary, Mr. Speaker. Can the minister indicate whether there has been any effort made on the part of provincial officials here in Manitoba to determine how extensive or how complicated changes might be necessary to the federal Income Tax Act and have they made any recommendations to the federal government in that regard, concerning the family law legislation?

MR. MERCIER: Sir, again the latest information that I have is that the matter would be reviewed by the federal Department of Finance and when they had completed their review, they would be in contact with our Finance department.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, to the Minister of Finance, which he may wish to take as notice, can the minister indicate that with respect to the statement that he made here in this House with respect to CCIL, that the decision inherent in the statement was arrived at on the basis of an application — a somewhat older application in which the province was being asked to assume the majority of risk of infusion of new capital or whether it was based on a more recent proposal in which — the application requires the province to put up a minority of the infusion of new capital?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Well, Mr. Speaker, I think perhaps, to be as specific as possible, that it wouldn't have meant Manitoba putting up a majority of their financial requirements, but the question that — the principal question was not whether it was a majority or a minority but the size of the amount and the amount of the exposure that was being taken on by the province in becoming involved. That was the key question. It wasn't a case of whether it was over 50 percent of the new financing that was required or whether it was under 50 percent of the new financing. It was the amount of the financing and the amount of the exposure that was being taken by the province, mindful that others were going to also have to take on added exposure and whether in total the investment was in the best interests of CCIL.

MR. SCHREYER: Mr. Speaker, I'm certainly not quarrelling with the minister when he uses the term exposure — I use the term risk. My question, Sir, is — he may wish to take it as notice — was the announcement that was made in this House based upon relating to an application — the province would have been required to put up more cation in which than half or less than half of the entire incremental risk of new capital? That's the question — it's very simple.

MR. CRAIK: Mr. Speaker, I hesitate to — perhaps I should say I hesitate to answer these questions because I think there are other provinces involved and the company itself may be vulnerable to this sort of discussion. If the company itself is anxious and willing to do this sort of thing, that's fine, but perhaps, to be on that particular question, the amount of the total new financing requested of the province was less than 50 percent, if that's the answer he wants.

MR. SCHREYER: May I indicate to my honourable friend, the Minister of Finance, that I share some of his sensitivity. I shall desist from any further questions until we can have it clarified to what extent, disproportionate or otherwise, Manitoba was being asked to become involved.

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

MR. WALDING: Thank you, Mr. Speaker. I would like to ask the Honourable Minister of Labour whether she considers an 11.9 percent increase in the rate for food to be acceptable because food makes up only 20 percent of the CPI index.

MR. SPEAKER: I should perhaps remind members now there are only two minutes left in the Question Period. The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Is the Minister going to answer? I'm sorry.

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

MR. DESJARDINS: Mr. Speaker, I have a question for the Minister of Health. Is the previously announced construction to take place at the Portage School for the Retarded, is that also affected by the freeze?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN(Fort Garry): Mr. Speaker, it is my understanding that it is but I will check and get the information for the Member for St. Boniface.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. TOM BARROW: I address this question to the Minister of Health and Social Services, Mr. Speaker. Could the Minister give any indication of the possibility of building a new hospital in Snow Lake?

MR. SHERMAN: Well, I can give the honourable member an indication of a possibility and a hope but it's one of the facilities that is on the project range that is under the freeze. Hopefully we can proceed with most, if not all, of those projects but I can't assure the honourable member that any specific decisions have been made yet.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I have a question to the Minister of Industry and Commerce. Would the Minister consider publishing an advertisement in the Winnipeg Free Press and in the Winnipeg Tribune indicating the statements of Mr. MacDonald, Chief Commissioner of the City of Winnipeg, which verified that his experience shows that the Flyer bus operates in every way as efficiently or more efficiently than its competitor, General Motors. Would that be helpful in terms of orders across this country?

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

HON. ROBERT (Bob) BANMAN(La Verendrye): Mr. Speaker, I appreciate the member asking that question. I am sure the media will report that question in the paper and we'll save the taxpayers any cost as far as future advertising and the like.

MR. SPEAKER: Order please. I believe the time for questioning has now expired. I will allow the Member for Inkster one more question.

MR. GREEN: Well, Mr. Speaker, having had some experience in this regard, I don't share my honourable friend's optimism, although I hope he is correct. If they don't do it, will he consider publishing an advertisement?

MR. SPEAKER: Orders of the Day. The Honourable Minister of Industry and Commerce.

MR. BANMAN: Mr. Speaker, I would just like to say to the member that that question is hypothetical and we will deal with it . . .

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN(Morris): Mr. Speaker, I wonder if I may announce that the vote on the amendment to the Address and Reply to the Speech from the Throne will be held this afternoon at 5 o'clock and there will be no sitting tonight. I wonder also if I may ask the Opposition House Leader if he would, as expeditiously as possible, turn in the names of the people who are going to be on the various committees so that the committees can be set up as quickly as possible.

MR. SPEAKER: The Opposition House Leader.

MR. GREEN: Well, Mr. Speaker, firstly to the business of the House. I understand that the honourable member is saying that the vote will take place at 5:00 o'clock. I want to make it clear that I don't accept that as a statement that it couldn't take place earlier and, as a matter of fact, I would expect that the Throne Speech would be called this morning. It stood this morning; it will be called this afternoon at which time I would expect it to proceed and if the Throne Speech is wound up before 5:30, the vote will be taken before 5:30.

Secondly, Mr. Speaker, with regard to the names, I believe that the Member for Kildonan will be furnishing them to you this afternoon, or furnishing them to the Clerk this afternoon.

MR. SPEAKER: Very well. Will we proceed with the Order Paper? Is there any particular order that the . . .

MR. JORGENSON: I wonder if you would call Bill No. 5, Mr. Speaker. Oh, I'm sorry. The Throne Speech first.

MR. SPEAKER: On the proposed motion of the Honourable Member for Pembina and the amendment moved by the Leader of the Opposition, the Honourable Member for St. James.

MR. GEORGE MINAKER: Stand please. BILL NO. 5 — FAMILY LAW

MR. SPEAKER: Bill (No. 5) An Act to suspend The Family Maintenance Act. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Thank you, Mr. Speaker. I rise with some reluctance having anticipated a comment from the other side on the Throne Speech but, as it is, I also welcome the chance to make a comment or two on the Family Law bill which has been of some interest and importance to members of this short session thus far. In looking at the way in which the whole procedure of introducing this bill in the Review Committee had been conducted, I am reminded of the old Chinese proverb that says, "A journey of 1,000 miles begins with a single step." It would seem to me, Mr. Speaker, that members opposite who are looking forward to long four years in government where they will be taking many thousands of steps in a variety of directions should look very carefully at these first steps that they are taking because if they are missteps going in the wrong direction, if they begin in this very early days of their new life as a government to take the wrong course, I think it could affect and influence the conduct and relationship that they have with the people of this province for the next four years. As a result, the way in which the government and members of the governing caucus approach this particular action on the family law legislation should be one that is done with a great deal of caution and care. So in that respect, Mr. Speaker, I particularly address my remarks to members of the opposite caucus. I recognize that in the speech yesterday on the Throne Speech, one of the members on this side referred to them as non-persons. Mr. Speaker, I don't share that particular point of view. I would say that each of the members of the House, I think the Member for Radisson was referred to and the Member for Springfield and the Member for Pembina, suggesting that they were simply here as units or as puppets or as basically to be non-entities in the governing councils . . .

MR. SPEAKER: Order please. The Member for Inkster on a point of order.

MR. GREEN: Mr. Speaker, as a matter of privilege, Mr. Speaker.

MR. SPEAKER: A question of privilege. Very good.

MR. GREEN: Mr. Speaker, I believe that the honourable member is referring to my remarks. I take exception to it. I said that they are fine, decent people, properly elected and that they are attempted to being made non-persons by the First Minister. I never referred to them as non-persons. I have a high regard for all of them.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Whatever the particular position or point of privilege of the Member for Inkster, I think the implication that he was suggesting was very clear, that the way in which members of the government caucus, whether they are being treated or asked to be treated, were as non-persons. I would suggest that obviously they have an opportunity in this debate on family law to demonstrate the opposite, that they can show that they have an important influential role to play in the discussion of this legislation and that they can play an important role in perhaps correcting what I consider to be a serious misstep, a serious turn in the direction of this government in the wrong way. As a result, Mr. Speaker, I would like to particularly try to show to members opposite so that when the time comes for them to address their leader, the Attorney-General, in their caucus meetings, perhaps in Cabinet meetings, that the position taken thus far is not one that recommends itself in any way to the people of this province and certainly to members of the public. If they are concerned about the general state of health and the recognition and respect with which they are held in this province, then it would be useful for them to reconsider perhaps changes in their attitude and approach to the position on family law.

To begin, Mr. Speaker, first by raising the question as to what is all the fuss about. I suppose if a new member of the legislature was taking his seat for the first time this week, listening to the explanations given by the First Minister and by the Attorney-General, it may at first glance sound reasonable. After all, they are saying that all we want to do is correct the legislation, clean it up, make

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it a little bit better. Let's improve it. Now, I suppose, Mr. Speaker, that that is supposed to be, or could be considered to be, a reasonable stance to take but that particular position must be measured against the kind of legislation that they are dealing with. This presumption that they are simply dealing with a technical matter, a matter of cleaning up some legislation, must be weighed against the importance and significance with which the family law legislation was seen when it was passed last spring. I think, Mr. Speaker, that a major disservice has been created in this House by the First Minister who has tried to suggest again, in his approach — in his side comments primarily — that this was simply an NDP plot. He is trying to suggest that there is this kind of . . . You know, he played very successfully the polarization game during the election campaign and I suspect that is a continuation of that kind of mental attitude that everything is sort of a matter of them versus us, left versus right, social versus free enterprise and that somehow the family law bill is a product of some kind of wild meanderings of these extremist socialists. That, Mr. Speaker, is a disservice —(Interjection)— And now the Minister of Public Works even confirms that position and we all know that the Minister of Public Works has always been . . . Whether it's a tactical question or whether a matter of belief, the fact of the matter is that the government is trying to couch this debate about family law in those terms.

While, Mr. Speaker, I in no way would want to pull back credit from the Attorney-General or members of the previous NDP government for introducing the bill, I think the Attorney-General would also agree that the family law legislation was not simply a brainchild exclusively of the NDP but in fact represented the broad coalition of interest of people in the province who were, over a long period of time, trying to secure an improvement in a second class status of over 50 percent of the population of this province. It represented, Mr. Speaker, the concerns and interests of a wide variety and selection of people who do not share NDP beliefs. If I looked at the kind of representation that we had before the legislature last year, we had the Progressive Conservative Women's Association suggesting the kind of approaches that should be made that were incorporated in the family law bill. Members of our own party said the same thing; members of non-partisan coalitions, the social workers and the Advisory Council on the Status of Women, a whole broad range. So this attempt to try to all of a sudden pidgeon-hole this as part of the continuing holy crusade is absolutely wrong. I think, Mr. Speaker, that the problem here is perhaps that perhaps some members opposite, perhaps new members opposite, haven't quite seen the family law legislation as it was passed last year in the perspective of a certain milestone that that broad coalition in the province thought that they had achieved.

You know, Mr. Speaker, when the Attorney-General rises to say, "Look it, we're just going to clear up some technical problems," for many people who fought long and hard over many years I suppose it's analogous to all the people who got together to sign the Magna Carta and someone saying, "Hey, look, there's a couple of spelling mistakes, we want you to go back and figure it out again." You know, you reach a certain time in the events of things where it simply becomes important to establish the symbolic importance of those measures and that was really, if members opposite would think carefully about it, was the kind of thing that was achieved last spring. That it had an importance not just for women in this province, but for a lot of other people who have aspirations for creating greater equality, not only in this province but also throughout the country. So when the government comes and says, "Look, we want to make a couple of small amendments," well, you know they have to weigh that against the kind of significance with which that bill is seen.

As a result, Mr. Speaker, it's very important that the government's reasons for clarification or correction of that bill be very sound. That if in fact they foresaw problems that were really there, then they may have a case. But, Mr. Speaker, when the Attorney-General rose to his feet to give us the reasons why he would take the dramatic step and undertake this process of review, then, Mr. Speaker, the way in which it was conducted, and the reasons that were given, really do not warrant the kind of steps that have now been instituted by this government.

Let me point out for example the way in which this was proceeded with. Let's assume for a moment that there were some problems in the legislation. —(Interjection)— Let's assume for a moment that there were some mistakes in the legislation. What would be the best way of going about correcting them? Was the best way to establish a committee, of two lawyers originally, a third added only when there was some public pressure, including one of the members who was without any question of doubt the most violent, outspoken antagonist to the whole concept of family law? Now, Mr. Speaker, of all the family law lawyers in the province of Manitoba, all the competent lawyers who appear before us, why would they choose the one person who could be seen by everybody concerned about this bill as being the most flagrant violator of any principle of equality in the family law? —(Interjection)— Mr. Speaker, you only have to read the Legislative Committee reports. Now I don't want to make any allegations against Mr. Houston, his words speak for himself. And not only that, Mr. Speaker, two weeks after he was appointed to that commission Mr. Houston has the effrontery, in effect, to show up at a debate at a private athletic club in this province and to argue the affirmative as to why women should not be allowed to eat lunch with him at noon hour.

A MEMBER: That's right.

MR. AXWORTHY: Now, Mr. Speaker, you would think —(Interjection)— Mr. Speaker, now you wonder why people in this province get excited about the position of this government. Here's a man who says he doesn't even want to eat lunch with the ladies, I he's on the committee and supposed to be an impartial observer, and he doesn't want to eat lunch with them, and all of a sudden we are supposed to trust the objectivity of this gentleman in question, who is going to review the whole

legislation.

Now, Mr. Speaker, I would really suggest that the government could have been a little wiser, a little bit more calculating and a little bit more sensitive to the issue than to take that kind of step. So what it really represents to a lot of people is that the professions of commitment of the government to the so-called maintaining their belief in the principles really is cast into a shadowy corner. You can't really necessarily believe what they are saying, because if they were really serious, then they might have proceeded in a different fashion. And I have no question of a doubt that Mr. Houston is a loyal Conservative and a faithful party member and a close adviser to members of the government, but still I would suggest that when we go back to the original proposition I put forward, that it is important for this government to take the right steps in approaching this, that was certainly the wrong step to take.

So that I would say that right from the beginning the way in which this . . . —(Interjection)— That's right. Well, Mr. Speaker, if you're going to take the right step that even Conservatives, even the most reactionary, deep dyed in the wool reactionary, right wing Conservative, should have a sense of propriety about how to conduct themselves and a certain sensitivity to the concerns of those who don't necessarily share their beliefs. I think that as a government that is going to have to govern for all the people of Manitoba, not just the right wing people not just the reactionary people, but all the people, that it would have been of some importance for them to recognize that in terms of that milestone legislation, there was a necessity for them to be much more careful and much more cautious in the way that they initiated this question of review.

Speaking of right wing reactionaries, I suppose, Mr. Speaker, for the benefit of the Minister of Public Works, I would ask him how he would react if someone came along and said, "Now, look, yes, I believe in free enterprise and I believe in the Conservative philosophy, but I don't want to have lunch with you." Well, that's akin to the way in which Mr. Houston has approached this bill, that even though he may now say he's prepared to accept the beliefs, he still doesn't want to have lunch with the people who are most vitally affected by it.

Now it does stretch one's credibility and credulity, Mr. Speaker, to assume that you're going to get a fair shake in that review and therefore it's only logical that those who are concerned and come into that legislation would react the way that they have when they saw the procedure in which the government initiated this review process. It could have been done another way.

So that, Mr. Speaker, let's put that on the shelf as problem No. 1 that the government is really going to have to face if it really wants to be believed.

Problem No. 2 is the reasons given for changing the legislation. Now in his introduction of the bill the Attorney-General said that he foresaw certain kinds of problems and he laid a great deal of emphasis, Mr. Speaker, on the problem relating to federal income tax legislation. He said that in his mind — I think the words were and I can be corrected, but I think the words were — in his mind that was perhaps the most important problem, that it was the most important impediment or difficulty in bringing this legislation about.

As a result, Mr. Speaker, I find it somewhat surprising that considering the importance which the Attorney-General has placed upon changes to the Income Tax Act, that so very little was done by this government to determine exactly what the federal government was prepared to do to make those changes. But it seemed to me that if they were genuinely concerned about just making sure that the family law legislation conformed or would be convenient to implement, that they would have undertaken it as the first order of business to be in touch with their federal counterparts, to make recommendations saying, "Look, how quickly can you come to a position or a decision on these income tax amendments?" And yet I find, Mr. Speaker, that in fact the government took no steps at all. They were relying upon correspondence written last spring and there was only a letter written by the Attorney-General two days ago. It was the first form of direct communication at all that this government has had with federal officials and that letter hasn't been received yet. So, Mr. Speaker, with some degree of impunity and I apologize, I took — the Minister of Public Works will probably report this — I placed several phone calls on the government long distance lines to associates that I have had in the past in Ottawa, who happen to share some y, "W communion of faith with myself, to sahat's going on? I mean, are you guys really standing in the way?" And the answer I received back was, "No." In fact, the suggestion received is that the Minister of Justice has indicated at all turns his willingness, interest and concern about making sure that the federal government would co-operate to the fullest.

Furthermore, Mr. Speaker, the kind of amendments that would be required were relatively simple. Small changes to Section 73 and 74, the Income Tax Act, simply changing ownership, and that those amendments could be, if they had been requested, probably introduced at this session of the Federal House of Commons and would have been . . .

Now, Mr. Speaker, I am not here to act on behalf of the government. All I'm simply suggesting, Mr. Speaker, is that if the government had seen the income tax problem as a major impediment through implementation, then the course of action was very clear to them. The course of action was simply to pick up a telephone, contact their counterparts in Ottawa and say, "How about doing something about it right away." But nothing of that sort has been done. By the way, Mr. Speaker, it's not too late. I think that if the government really wants to proceed, as they say, to clear up that problem they could proceed forthwith. And I would suggest, and I have no responsibility of speaking for federal officials, but it certainly is my understanding that if there is any kind of recommendation, any kind of request on the part of the government of Manitoba, that it would be responded to with a great deal of clarity and quickness, and they would not in any way stand themselves as an impediment or barrier, the enforcement of that.

So, Mr. Speaker, I would say to members of the Conservative caucus that when it comes time to

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question the Attorney-General about this, then they may have good reason for questioning and saying, "Look, if your only hangup about this whole thing, with the Income Tax Act, there's a way of solving it," and therefore not enraging and inciting the kind of anguish, anxiety and concern that so many people have already expressed.

So I would say, Mr. Speaker, that there is a way out. There is a solution to the problem at hand and it could be taken without a great deal of effort. It would simply mean sort of mobilizing some pressure and some request to the federal counterparts.

So, Mr. Speaker, I say to myself, well now why wasn't that done? Is it because it was a technical problem or because the technical problems in some ways may just be a smoke screen for something else. Well, Mr. Speaker, I'm not going to play a guessing game on that particular issue.

I don't want to second guess the government on that. I want to take them at face value, so I look at some other requests that they made.

They said there were problems relating to the issue of banks and creditors not being prepared to provide loans on commercial assets because of the problem related to who would be liable if there was a split up in the marriage. Well again, Mr. Speaker, I consulted some people, some accountants, and the answer came back that as the reading of the legislation portrays, that again is not a problem, that in fact, the legislation very clearly sets out that any liabilities would be the first order of business against those assets. They would be written off first and then the dispersal would take place. It's very clearly set out. Mr. Speaker, I recall the discussions at great length in the committee when that particular issue was gone over in minute detail and the resolutions of it were very clearly explicated. We spent many hours while members opposite were out banging on doors, after our skins, and we were spending many hours in here until one or two in the morning. Those questions were answered at that time and any close reading of the committee hearings would show that the answers were had and all you have to do is read them.

Mr. Speaker, I would say again I have no question of doubt about the competence of the review committee that's been established. Mr. Speaker, are they going to go over exactly the same ground that hundreds of hours of legislators of this Manitoba Assembly spent doing exactly the same thing? Is Mr. Houston somehow to be considered more enlightened now than he was six months ago in June? Is he to be considered somehow superior now to the kind of examination that went on last spring? I doubt it. In fact, Mr. Speaker, I don't take umbrage quickly. I guess after four years or so in this House you acquire a certain thickness of skin. But it is a little insulting when the Attorney-General suggests that those three individuals are somehow going to do a better job than a full committee representing all parties and spending literally hundreds of hours as it did last spring going over the self same questions and with all the legal advice. There were all kinds of lawyers. We had probably the full representation of the family law legal fraternity in this province before us. We got all kinds of free legal advice that we didn't have to pay for, for that committee. So why are we retracing those steps? What's the reason for going over all that material again? — (Interjection) — That's right Mr. Speaker.

The Attorney-General also referred to the concerns expressed at the seminar on family law that was held. Well again, we went back and talked to some lawyers who were at that seminar and they said there was no question that the lawyers had a lot of inquiries about what was going to take place. But the conclusion of the meeting was not that the legislation should be stopped. The conclusion was that it should still go ahead because, as lawyers, they still believed that in many cases the best way to work the problems out is through the process of the common law, that there is a certain empirical wisdom to the way in which the law works and rather than making any priority judgments and anticipating the problems or hypothesizing the problems, it was much more important to have the legislation take place and then as the courts and officials begin making decisions, it begins to build up a certain degree of precedent, a certain corpus of law that then begin to establish it.

The Attorney-General for example, said, on the maintenance law, we don't know how to deal with the question of what is independence. I agree with him. We asked all kinds of people who appeared before this committee, including Mr. Houston, by the way, what is the level of independence that you would establish? They said, we don't know, it's going to have to be established by the courts. Now the Attorney-General is apparently going to ask that committee to come back and define for time immemorial, what is the definition of an independent income. Well, Mr. Speaker, that is something that has to be judged on an empirical basis case by case developing a certain body of law to make judgments on that. That's the way the system works, Mr. Speaker, and I would think, — certainly the Attorney-General has a high repute as a lawyer, that that would be only a natural of his inclination to say that all the legislature can do — I mean there is a separation of powers in our system in the sense that the legislature makes policy and the judiciary is then to begin interpreting it if there is challenges to it. That's the way the system should work. We cannot anticipate as a legislature, and should not be expected to, every conceivable possible case situation problem that may arise. You set out the basic policy guidelines and then let it begin to evolve into a body of law.

That is the way the old laws worked until they reached a stage where they were unworkable because they ran full scale up against a court decision that said that we're not prepared to deal with the question of whether the participation of both spouses in the acquisition of goods and assets

should be considered equal. That was the Murdoch case and the conclusion of the supreme court was that that is something that has to go back to the legislatures. It has now gone back to the legislatures and this province was the first one to put it back on the table again and said we have now established a law to set the courts. Now that is the way the system, as I understand it — and I'm a layman but I have studied some degree of constitution. That's the way it's supposed to work. And certainly the lawyers that I've talked to confirm that basic understanding.

Mr. Speaker, I really come to the point that if you look at the issue raised about income tax, if you look at the issue raised about this question of creditors, if you look at this question raised about defining notions of independence and no fault, they are problems that would not require the kind of steps that this government has taken. There were alternative ways of dealing with the problem and the weight and significance of what they are doing really begins to suggest that there were other motives involved, that there were other reasons involved.

Mr. Speaker, beyond that I suppose if there is even a further area of suspicion, it's the unwillingness of either the First Minister or the Attorney-General to be more explicit about exactly where they stand on the principles. They say, we believe in the basic principles, but they have said no more than that. Mr. Speaker, I think it's a pretty common assessment of the way policy and politics works, that you can very quickly change a principle by changing the method by which you reach that principle. For example, let's presume that the government says we are committed to the idea of equal sharing but that their definition of how you would achieve it would be simply to allow total discretion by the courts to make the judgment which is really perhaps the way in which they have. They say that that's simply a method. Don't worry about it, we still believe in the principle, we're just changing the method of achieving it. But, I think as Marshall McLuhan once said, that the medium is the message, that you certainly can begin to distort or alter a principle by altering the method by which you achieve it. And certainly the weight of evidence that appeared in the committee hearings by the variety of groups that appeared before us, was that the allowing of total discretion as takes place in the British courts — (Interjection) — No, Mr. Speaker, I think perhaps one of the advantages of being a Liberal is that you realize that you have to be as careful about the methods and means you use as about the principle yourself and you don't become so hide-bound and entrenched in a corner of ideology that you're not prepared also to examine the question of what is the practical pragmatic way of achieving a good thing. That perhaps is the reason why Liberals — (Interjection) — The Minister of Public Works will have, I'm sure, his opportunity to defend the right wing position on this case as he so fondly and lovingly likes to defend. What I am saying is in a real way when the Minister of Public Works cuts away the rhetoric he will recognize that by altering methods and means you begin to change the way in which the principle works. Certainly that was the position taken before the committee by many of the groups that appeared before us was that if you allowed the question of the equal sharing to be solely based upon adjudication in the courts without any guarantee of rights, without any written legislation saying, here is certain basic standards and measures by which it has to be achieved, then the outcome would not be an equal sharing at all and therefore the principle would be defeated. Certainly if you look at the report of the Canadian Law Reform Commission which assessed how that particular principle works in the British common law system, which is the way that it has been working there, that is their conclusion. They say that by simply putting the matter solely and exclusively on the courts without any accompanying legislative guideline or standard you do not get equal sharing. That was the conclusion of the Canadian Law Reform Commission and those who have studied the acts.

It was also the conclusion, Mr. Spaker, reached in which the legislation has been approached in the United States' jurisdictions. Many of the problems that have been put forward by the Attorney-General and others, if they will look at that experience, particularly in the California jurisdiction, have been eliminated and all the economic accounting, legal technical things that they have put forward have been worked out in practice so that the system there works reasonably well. In fact the California legislation is more extreme, more radical, if you like, than the family law legislation that was brought forward in Manitoba. And yet it's working. I don't see necessarily California going through some great economic slump or whatever it may be. It didn't affect the conduct of commerce in that state. They are still managing to make investments and have people work out business practices and have partnerships. It hasn't affected them in California in any great extent. I would say probably in most respects California has a healthier economy than what we have in Manitoba. It is certainly healthier because of all that sunshine taking place and they have other advantages. But the fact of the matter is, the law itself has not proven to be a major difficulty in the economic life of that state. It would seem to me again that that is a pretty strong argument for going ahead with it.

Mr. Speaker, the question is: where do we end up on this then. I think that some of the remarks I've made may have suggested to members opposite, to caucus members, that there is good reason for making changes in this first step the government has taken, this first major step in signalling to the people of Manitoba where they stand. So, the question is: what should the government do about it? I certainly recognize, Mr. Speaker, that there is a time honoured principle in politics about saving face and I would want not the government in the position where all of a sudden they appear that on their first major challenge they have to back down. I suppose the personality of the First Leader would not suggest that they're willing to do that. Let's be realistic. There has not been much indication so far from the First Minister that he is of a temperament that is prepared to make compromise or change in things and we have to recognize those as realities. I wish it was otherwise but it is not and therefore we should say: what are the ways in which we may . . . I know the Minister of Public Works will rise in indignation but perhaps my tradition as a Liberal is I do tend to find out how do you find some

compromise in the situation. How do you make some changes?

I would say that there are some options that members of this caucus might suggest to their Cabinet at their next caucus meeting. One alternative would be to say, you don't really have a good reason any more for holding up the family law bill so why don't you go ahead with its application on January 1. And if that is unpalatable, if they say now look, we can't do that because that looks like we're caving in to those NDP guys and all those demonstrators and we can't do that, we have to show ourselves to be virtuous and strong and forthright. If we're not prepared to do that I would suggest perhaps they could appease a lot of the concern and anxiety if they were prepared to do two things: One is to state unequivocally that they are prepared to bring or proclaim the family law bill, subject to amendment by July 1, 1978. If they want to wait six months, okay, I mean six months isn't going to make all that big a difference. I would prefer them to go right ahead with it but at least give a clear undertaking that the review commission will be concluding its assessment and that any required changes will be brought into this House and that whatever happens by July 1, 1978, there will be a ~~family law bill~~ marital property bill in force in the province of Manitoba. That doesn't seem to be too unreasonable. Mr. Speaker, I would say to the Member for Radisson who in his previous occupation was known for his judgment and discretion in difficult situations, that that's not such a bad decision or judgment to make is it. — (Interjection) — Well that's right, it may be, but this has nothing to do with his eye sight this has to do with his judgment. So I say, Mr. Speaker, that that's not a bad choice to make. I apologize to the Member for Radisson. I guess that the Bombers haven't won for so long we have to blame somebody for it.

But the fact of the matter is that that's not a bad change to make. At least then, for all those people who saw the family law legislation as a major step forward in achieving some movement towards a gaining of greater recognition of their equality and of beginning to change some of the relationships, at least then they know that they're simply not going to be dished out of the whole game, that the slate is not going to be wiped clean and we're going to have to start over again. I think that the Attorney-General is in a position to do that. He was asked a question, I believe, by the Member for Selkirk, at some point in his speech, that's one of the questions he posed. Is the Attorney-General prepared to declare that there will be a family law bill and the Attorney-General's remarks if I recall, were somewhat indefinite. I think it was kind of maybe. Well maybe's aren't good enough in this situation, Mr. Speaker, they're just not good enough.

I would think that a lot of the heat could be dissipated and a lot of the anxiety could be overcome on the part of the government in relation to all those people, not just the partisans who are involved but a wide coalition of people throughout the province of a variety of political concerns, that if government said we are prepared, that there will be a proclamation of a family marital property bill by July 1, okay.

Now on the maintenance bill I think again, Mr. Speaker, that the technical problems on that are not insurmountable by any stretch of the imagination. I again think that there are ways out of that particular problem, that we already have in effect a maintenance law. There may be parts of it, as I understand from lawyers, that could be frozen or suspended but that in large part the major parts of the bill could go forward. Now that's not a bad . . . again I appeal to the judgment of the Member for Radisson. That's not a bad position to put forward in the caucus, that again there are ways of approaching it and that there are some elements of the bill that would be reviewed. Fine, let's do it and again declare your intentions very clearly in proceeding with it. Because if they don't, Mr. Speaker, if those kind of commitments aren't made, if those declarations aren't insisted upon, I think that the only conclusion that members on this side would have to reach, as well as others who are equally concerned about it outside this House, is that the professed intentions of the government are not as they are stated and, in fact, the government is intending to make major dilutions of the equal sharing concept whether it be a matter of eliminating the sharing of commercial assets, as has been suggested by some, whether it's a matter of going to total discretion or whatever it may be. I think that we would really then have to conclude that there is really a hidden agenda at work and I would hope and suggest, Mr. Speaker, that the government would not be in that position where they are intending something that they are not being very clear and equivocal about. Because if that is the case there will be a kind of situation where the degree to which there is a bond of trust and faith on the part of people and their government would be very quickly broken or eroded.

MR. SPEAKER: Order please. I just want to remind the member he has five minutes.

MR. AXWORTHY: Thank you, Mr. Speaker. Therefore, Mr. Speaker, I would say that on the case I've laid out, the method by which the initial review was undertaken and the way in which the government has so far been not particularly forthcoming or forthright in all its statements about why the bill is introduced, that once they were prepared to clear those off. If they were to undertake to merely get in touch with Ottawa and say, "Please fix the Income Tax Act right away." If they were prepared to say, "We commit to an enforcement of proclamation of the bill by July 1st." If they are prepared to say we will bring the new maintenance law in sort of *mea culpa* the more ambiguous kind of sections to it, and that we will make our commitments on certain key principles — the sharing of the assets, and so on, then I think members here would be prepared — I won't speak for other members, I will speak for our caucus, which I can do on my feet — I checked with the mirror this morning, Mr. Speaker, and we're in full agreement — (Interjection) — only this morning. And that as a result, we can say that I

certainly would then withdraw my opposition to their measures, and say, "Let's go ahead. I'm prepared to deal on those bases, but not without that kind of demonstration of good intention and good faith that this government should provide." And then, Mr. Speaker, I would simply conclude by going back to my initial point.

I think that the members opposite should recognize that this is not simply a tempest in a teapot. It's not simply a matter of kind of swishing something by. I think that this particular action that they have taken will be very much a touchstone upon which people will measure their administration for the next four years. It will be something that will colour the character and quality of how people view their government for the next four years. And they have an opportunity to show that they are a government that while perhaps right-wing in their philosophy are still prepared to govern for all those who may not share their full philosophy. And they have every right as a government to exercise their Conservative inclinations, but they don't do so with the total disregard of those who don't share them. And, I think, Mr. Speaker, that's increasingly how it's being viewed.

So, Mr. Speaker, I would leave those suggestions and recommendations for members opposite, and hope that those people who are, have been suggested, may be considered to be non-persons, are in fact real, live legislators who can influence their government, and that the government itself is prepared to make those responses and those changes.

MR. SPEAKEJ: The Honourable Member for Inkster.

MR. GREEN: I move, seconded by the Honourable Member for Selkirk, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKEJ: The Honourable Government Houses Leader.

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

MR. JORGENSON: Bill No. 2, Mr. Speakej.

MR. SPEAKEJ: On Bill No. 2, the Honourable Member for Flin Flon.

MR. JAYSCOWAN (Churchill): Mr. Speakej, the Honourable Member for Flin Flon adjourned the debate for myself. I would ask permission to speak at this time.

MR. SPEAKER: Is that agreed? The Honourable Member for Churchill.

MR. COWAN: Mr. Speaker, I was somewhat hesitant to speak this morning after the reaction the Honourable Member for Roblin had to my Throne Speech yesterday. I was somewhat concerned for his health, both mental and physical, if I was to stand up here again and obviously go off on what he considered to be a tirade. So, I'll try to moderate my remarks. I see he's not in the House, so maybe I can swing free for the time being.

I was particularly worried because again I'm going to talk about what he prefers to call the little people, or the vast majority of the people who make up this province. Well, I prefer to call them the big people. I think that they are pretty big people, and I think they are the people that the anti-inflation program or the Anti-Inflation Board was designed to attack, that the board was designed simply, Mr. Speakej, as an attack on the working people of this province, or the working people of this country, I might add. So when the bill was brought before the House I couldn't let it pass, I couldn't sit in my seat. I'd been fairly vocal in my opposition to this bill outside of this House, and I thought it being only fair to myself and fair to my friends that I stand up, at this opportunity, and take one more kick at the cat, so to speak.

The record must show and the record of this House I think, must show, Mr. Speaker, that there is opposition within this House to the anti-inflation program. And that is what I intend to do. I intend not so much to speak on the province's participation in the program because I think that's a foregone fact but I would like to take the opportunity to speak a bit on what the program means, what the program really is. If we are to understand the anti-inflation program, if we are to understand the Anti-Inflation Board and its intentions, we must first understand the situation that brought it about.

In October of 1975, this country, indeed, was suffering under rampant inflation — and I don't use that term unadvisedly — it was rampant inflation. But, Mr. Speakej, it was inflation all over the world. If I might, the consumer price increases for 1975, for the end of 1975 in Canada were approximately 10.6 percent. Well, Sir, in the United States they were nine percent. In France, they were 12.1 percent. In the United Kingdom, they were 25 percent. In Chile, Sir, they were 371.8 percent, but I throw that in as an aside, and don't expect it to have too much particular influence on the argument. What I am trying to make clear, though is that inflation was a problem, but it was a world-wide problem. It was not a problem solely confined to Manitoba, or solely confined to Canada. It was a problem that the whole world was experiencing at that time, and we, indeed, along with the United States did have one of the lowest increases in the consumer price index.

What caused this inflation? I think we must ask ourselves, "What caused this inflation?" because the program itself was designed to attack specific causes. Let us look at the record. From 1971 to 1974, and those were the years that we were concerned with when the program was brought

in — those were the statistics that we would be concerned with. I see the Honourable Member for Roblin is returning to the Houses— I'm going to moderate my remarks right now a little bit.

At any rate, Mr. Speake, what caused the inflation at that time? Wages and salaries which have borne the brunt of the control program, wages and salaries between 1971 and 1974, Mr. Speake, increased 32 percent. Now, Sir, that is a sizeable increase. But it was less than the consumer price increase for the same period, which was 34 percent — 34 percent for the consumer price index, 32 percent for wages and salaries. As a matter of fact, in 1973 alone, the workers of this country, on an average, statistically, lost \$5.50 a week in real purchasing power.

A MEMBER: That's more than two packages of radishes.

MR. COWAN: It is far more than two packages of radishes. These are the conditions they were operating under. So what was causing the inflation? What was kicking the inflation up to the extent that it was being kicked up to? Well, I'm sorry I have to tell the Honourable Member for Roblin but it was corporate profits. As a matter of fact, it was even more than corporate profits, Sir, it was hyper profits, because in that same period, Mr. Speaker, in the same period from 1971 to 1974, corporate profits increased 111 percent. That's a lot of percent. That's too much percent if you ask me. But at any rate, Sir, as the economy does throughout time, it was at this time going through a boom and bust cycle. And in 1975, labour — the big people, the workers of this country — were beginning to catch up. In 1971, corporate profits in this country stood at \$8.7 billion. In 1974, they stood at \$18.3 billion. Now, there's 111 percent. But in 1975, Sir, in 1975, the boom, the bust, the boom, the bust, they started to go down, and they were down to \$17 billion. And at that time, we seized at a controls program — a controls program, Sir, that could not be designed with the benefits of the workers in this country in mind, because the Prime Minister himself, in 1974, had stated on exactly the same type of controls program, stated, "Income controls risk hurting the small and the poor more than they do the big and the rich." And while that may be of minor concern — this is somewhat ironic, Sir — he said, "While that may be of minor concern to the more conservative governments and political parties, it is of great and fundamental concern to this government." And in 1975, we have those same controls.

As a matter of fact, if we look at controls in other countries, Sir, we'll see that Arnold Webber, the administrator of the United States controls program, said — and I'm paraphrasing him, I'm not quoting him exactly, the content and the significance is the same — he said that controls programs had been initiated in that country because the business administration had been experiencing some difficulties just as our business community was experiencing some difficulties in 1975, and that the business community had leaned on the Nixon government to do something about this. So they came up with their controls program, very similar, Sir, to our controls program. And what did Arnold Webber have to say about that controls program after he had resigned from the program and was a bit freer to speak? Well, he told the truth. He said the program had been designed to — and I use his words, "zap the workers," and that it did. Well, Sir, it did the same thing in this country.

To look at controls in this country would be somewhat short-sighted. Let's look at these controls in the United States and these controls in Great Britain, and see what effect they had. In 1972 — as a matter of fact, specifically in November of 1972 — price and income controls were imposed in Great Britain. And they had a year and a half of those controls, Sir. And in that year and a half, there were approximately — and I use an approximate term because it's a hard number to pin down — there were approximately nine million price changes. Nine million price changes and 346 — now that's a specific number — 346 of them were rolled back. Clearly that program was not designed to roll back price increases. In the United States, in 1971, they also had a controls program — the one we were just speaking about and organized labour at that time was concerned at watching their own purchasing power being eroded by inflation. So, initially, they opted into the program. Initially, Sir, they cooperated with the program. Well, their wages rose less than ten percent during the course of the program, and inflation in that country rose 30 percent.

Organized labour, Sir, in Canada was not about to make the same mistake because, Sir, they had the experiences of these two countries and other countries that throughout ages have gone through these type of control programs. They had the experience from which to have a perspective of the overall program and they made their opposition public, Sir, as soon as the controls were announced. And that opposition took forms of marches, took forms of rallies, took forms of demonstrations, letters to the editor, telegrams, briefs before the government — as a matter of fact, Sir, somewhere here I have a brief that was given before this government — and I'll just take one second here to find it — in which organized labour in Manitoba was quite adamant, quite adamant in their opposition.

They started out the brief by reading from the original brief that was given, the memorandum to the government of Canada which was given on March 22, 1976. In that brief, we read, "On October 13th, 1975, your government" — this is the federal government, Sir — "embarked upon an anti-inflation program which in the history of Canada is unparalleled in its callous and brutal treatment of those who must toil for a living. It is a policy which was ill-conceived and implemented with haste. It is a policy devoid of any sympathy or understanding for the common man, and it is a policy which destroys the fundamental rights and freedoms of the vast majority of Canadians in the name of political expediency."

That, Sir, was presented to this provincial government and organized labour at that time was quite adamant and said that they could not support any government, any government whatsoever, that would go along with a controls program of this nature, whether it be federal or provincial or municipal. And they are still adamant, and I understand they have another brief coming before this

government. And in that brief, they will reaffirm their opposition to the controls, and they will continue to fight the controls, and they will continue to reaffirm their opposition until those controls are lifted from this country, when those controls are taken off the backs of the workers in Canada, because that's the way the government is trying to fight inflation — on the backs of the workers. They have struck against the board. In our own province, we had the Thompyon strike, which was successful. There have been other strikes which have not been successful.

As a matter of fact, the controls program pushed labour of this country into a political posture that they had never before taken unto themselves. We had the October 14th National Day of Protest in which well over a million workers gave up a day's wages to show their opposition, they're firm, they're committed, they're strong and they're continuing opposition to these controls programs.

But why all that opposition, Sir? Why would they be so opposed? Well, there are several reasons. First, the controls programs themselves were inequitable. The percentage increase which the controls program were based upon could only result in a widening of the wage gaps of the workers of this province because if a person makes \$1,000 a year and a person makes \$10,000 a year and they are both allowed a 6 percent increase, Sir, the person who makes the \$1,000 is coming out on the short end of the stick and if we apply those terms to say, a person who makes \$10,000 and a person who makes \$50,000, or \$15,000 and \$50,000, — I don't care what figures you use — we'll find out that the majority of the workers of this country, the majority of the people of this country are coming out on the short end of the stick. So labour opposed controls on that basis.

They also opposed the controls on the basis that a percentage increase would increase regional disparities. The people in the Atlantic provinces knew that when they came out in opposition of the controls. Again, I would like to, if I can just take one second, to find the article, so I could read briefly from it to you on why the anti-inflation program was seen hurting the Atlantic provinces. This comes out of the Free Press, Sir, in 1976 August 21st, and what they say — these are provincial government officials speaking — in Halifax they said, Sir, "The provincial government efforts to fight high unemployment and high interest rates in Atlantic provinces are suffering because of the federal anti-inflation program." That was put out by the Atlantic Provinces Economic Council in August of 1976 so it was obvious that those regional disparities were being increased by a controls program of this nature. When you allow the upper income brackets, Sir, to increase their wages by \$2,400 per year, a maximum, and you allow the lower income brackets, the ones who significantly need an increase in wages, when you allow them only \$600, Sir, then you have to be building new inequities and rigid inequities into this system that we have to operate within.

Women were opposed to the programs. I know that's not going to be of much concern, at least to the First Minister on the other side but I would ask the Minister of Labour to take special note that women criticized this anti-inflation program right from the very beginning and why? Well, on April, 1976, Sir, at a meeting of the National Action Committee on the Status of Women, they said, "Wage controls are reinforcing women's place at the bottom of the wage scale because when percentage increases in wages are granted to both sexes, the women's proportion of the income becomes smaller," they said, and that's a fact. So we find that women are opposed.

We also find, Sir, quite . . . well, I guess it is understandably, Sir, but we also find that the friends of the members opposite, the friends of the government, are also opposed to the program, that the business community is opposed to the program. "Capital is forced abroad," says corporate chief. "Canada has been experiencing a net outflow of capital in the last two years and this trend is growing at a time when the country is desperately short of investment capital," he said. "Federal wage and price controls will almost certainly increase the net investment outflow," he said. Well that should be of special concern to the members opposite who are grappling, grappling with an economy that is on the down-swing and it is going to get worse, that by increasing or by continuing their participation in this program and not opting out at the earliest possible convenience, that they are going to be, in essence, they are going to be contributing to a net outflow of capital from this country. . . . "Dissatisfaction with the federal anti-inflation guidelines could result in Montreal-based Domasco expanding in the United States instead of Canada." So by their participation, their continued participation in this program and by condoning this program, they are forcing capital out of this country at a time when this country desperately needs capital. When this country does not need more international companies coming in and investing and taking profits out but it needs Montreal based companies staying within our country, reinvesting within our country, so that we can maintain a strong and stable economy. "Pay price controls won't work," says corporate conference board president. "Wage and price controls are difficult to impose in a wide-open economy like Canada's and would lead to increased social tensions," a meeting of the Conference Board in Canada was told here. Well, we saw some of those increased social tensions here in this Legislative Building when 500 members of the MFL marched here shortly after the controls were announced in January of 1976 I believe, and on May 1 when 3,000 marched here, and on October 14th when a million people in this country decided to take a day off work.

Arthur J. R. Smith, president of the board which sponsored a day long conference on Canada's economic outlook, listed several reasons why controls won't work. He said they have never worked in the past. Well, that's what we tried to show with the United Kingdom experience and the United States experience and that's what labour knew right from the beginning, that those controls had never worked in the past and they were not about to work now. They are difficult to design. Well, I think the fact that these controls here were so poorly conceived and poorly designed just proves the fact that controls indeed are difficult to design and implement. Tends to divert energies and cripple freedom

of maneuver, are too rigid and create inequities.

So what I am saying to you before, Sir, I'm not pulling out of the thin air. I'm not saying that labour says this, Sir. I'm not saying that I say this, Sir, but I am saying that labour and business say this. Bankers say it. Douglas Peters, vice-president and chief economist of the Toronto-Dominion Bank said here, "Canada's anti-inflation board is a

non-productive measure and should be abolished." Indeed, he said it is counter-productive. The Financial Times also comes out in opposition to the controls. The politicians also are opposed to the controls so now, Sir, we find that the workers are opposed to the controls, the business community, the corporate community is opposed to the controls and the political parties, the political politicians of this country are opposed to controls. For many different reasons, I might add.

The Honourable Leader of the federal New Democratic Party, Ed Broadbent, said that he could find 111 loopholes for the rich designed in the controls program and not one for the workers, not one for the wage earners. We would expect, the leader of the New Democratic Party to be opposed to the controls but would we expect the leaders of the federal party opposite to be opposed to controls? Well, Sir, on April 28th, 1976, Tories attacked restraints, the Progressive Conservatives attacked restraints, Sir. "The PC's wants 1977 end to controls." That's at the federal level, Sir. Well, I would suggest that if the members opposite, the provincial Conservatives want to get in tune with their federal counterparts then they are going about it in exactly the wrong manner by reinforcing the controls program over the public sector in Manitoba. Why do the Progressive Conservatives at the federal level want an end to controls? Well, Sinclair Stevens, their finance critic said, "The longer the controls continue," — and that's what the members opposite are asking us to do is to continue the controls longer — he said, "The longer the controls continue, the more they will distort the economy." He also noted the fact that, if you take food out of the consumer price index, there is actually more inflation at this time which was 1976, April, there was actually more inflation than there was at the beginning of the program. What I find even more interesting, Sir, is that the Prime Minister who imposed these controls himself is opposed to the controls. Now there is a contradiction there that I can't quite sort out in my own mind but I would like to present it before this House and maybe some of my colleagues or maybe some of the . . .

MR. BLAKE: Ask your leader why the is in.

MR. COWAN: Would I ask my leader why the bill is in? If we were in government, Sir, and my leader was the First Minister — as well he should be — if we were in government, I would ask him but we are not. You are in government so I will have to ask your First Leader and that we will.

A MEMBER: We're straightening out something you didn't do.

MR. COWAN: You're straightening out something we didn't do? Well, Sir, I'd like you not to look at it, I would like the honourable member not to look at it as straightening out something we didn't do but being given a second chance with more information at hand to rectify a matter that perhaps — and I'm not saying we did — but that perhaps we chose the wrong course in. Okay? So they are given a second chance and I would like them to look at that second chance extensively and see that the controls have not worked, the controls cannot work and the controls are a strain on the autonomy and more interest to myself, Sir, the controls are a burden on the workers of this province and I would like to see them off at the earliest possible moment.

But what does the Prime Minister of the country, the one who imposed the controls, say about them? Well, in an article in MacLeans in October 1975, which is the year the controls were imposed and coincidentally the month the controls were imposed, as a matter of fact, this article came out two days after the announcement of the controls but it was given, the interview was given approximately two weeks before. In it, MacLeans' asked him "At what point will Canada have reached a stage where mandatory wage and price controls are the only remaining solution? There must be a point when you have tried everything else and this is the only thing that's left." Well, how does the Prime Minister of this country answer, Sir. He says, "Yes, there is such a point." He agrees there is a point. Controls themselves, whether it be a full freeze of controls or prices and incomes, do not solve the underlying malaise of people trying to get more out of the economy than they put into it. If controls were a proper and effective device to change that psychology, we would say, "Well, it's easy. Let's put on controls and one year down the road we'll take them off and there will be no more inflation" — but I think that every experience I know of, most recently the United States and the British experience, — and those are the two experiences we talked about previously, most recently the United States and the British experience is to the effect that when you take the controls off, you begin more or less where you were before. So, Heath, too, Sir, is in opposition of controls.

As a matter of fact, one of the chairpeople of the controls board themselves of the Anti-Inflation Board, on her resignation said that government isn't helping the anti-inflation plan, that the controls are not working.

So what do we have now, Sir? We have labour opposed to the controls; we have business opposed to the controls; we have the NDP opposed to the controls; we have the Liberals opposed to the controls; we have the Prime Minister opposed to the controls; we have the Conservatives opposed to the controls; we have me opposed to the controls; we have some of the members on this side opposed to the controls, and yet we have a government that sits over there in light of all that opposition, in light of all the facts, in light of all the statistics, sits over there and says, "We are going to continue with that

controls program.”

Sir, I could not sit in my seat, I could not sit in my seat and idly let that happen. Sir, I could not sit idly in my seat and let these controls be continued without at least standing up and putting on the record some of the statistics that the members opposite seem to be overlooking and when forced to have to come out and say that in the last year of the Winnipeg food component of the consumer price index has increased 11.9 percent while wage increases were 6.7 percent. Inflation, Sir, now is running in the 8 percent. We are nowhere near the goal that the controls program intended. As a matter of fact, we are on the upswing, we are approaching that double digit inflation that had been the initial cause or the precipitating factor for the imposition of the controls in the first place. So I would ask all the members of this House and I realize that I am stepping into this situation at an opportune time for myself, that I can speak quite freely against this controls program because I had no tie-in with the initial decision by Ogden-in-Council and I intend to take advantage, I think I have taken advantage of that situation, but I would ask the other members, all the other members in this House, to look at the program in light of what the program has been able to accomplish and to vote with their conscience.

Thank you, Sir.

MR. SPEAKER: Is it the pleasure of the House to adopt the bill? Has it agreed? The Honourable Member for Pembina.

MR. DON ORCHARD: Mr. Speaker, it is with some regret that I rise to my feet at this point in the debate. I find it somewhat difficult to comprehend some, and no small part, of the previous member's remarks on this bill. If we are to take his remarks at full value, we are to conclude that he is definitely against the AIB and what it stands for in terms of price and wage controls. Now, what the question in contemplation of this bill and the vote that's coming up on it, is whether in fact we are going to bring a group of government employees under the direction of the AIB and I think that is an important point to consider, not whether we agree with AIB or not, but whether we want to bring a group of employees under AIB who legally have the right to circumvent it. I would ask members of this House, in considering their vote, do they consider the estimated \$50 million which this province will have to come up with to pay back pay claims to this group of employees as an insignificant amount of money and hence of no value to the taxpayers of this province or, if we were to follow the honourable member opposite's advice, we should vote against that particular bill, in principle against the AIB in essence. And if we did so, where would the \$50 million come from to pay the back wages that that group of employees would demand from the province. I think that this is the consideration that is at the floor right now. Do we want to spend an additional \$50 million million dollars, or are we going to make this group of employees universally under the regulations as all other groups of employees have been in this province and give them no special status in the province? I think that our members opposite would agree that equality among workers is the utmost consideration, and what the opposite member was proposing is that one group should not become part of that regulation and should be given a special right. Hardly in line with socialist philosophy.

Thank you, Mr. Speaker.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion of the Honourable Member for St. John?

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Member for Transcona, that the debate be adjourned.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, on the question of order, I was listening to the Honourable Member for Churchill's remarks. I got the opinion that the Member for Flin Flon had adjourned the debate for him. I'm not certain that that is correct and I just want it clarified. Does the member wish to speak or did the member for Flin Flon wish to speak or is the honourable member aware as to what . . . ?

MR. SPEAKER: Order please. I don't know whether one member in the House has the right to usurp another member's right. I was under the impression that the Member for Churchill clearly stated in the House that the Member for Flin Flon had adjourned the debate for him, but I doubt if that member has that right, therefore I am prepared to leave the bill standing in the name of . . .

MR. JORGENSON: . . . unless there is frequent occasions if a member happens to be absent, he will indicate that he has abandoned his right to speak and turned over that right to somebody else. I think that was the clear indication on the part of the Member for Churchill. However, I'm not going to make any great issue of it. If you want to hold it in the name of the Member for Flin Flon, that's quite all right.

MR. SPEAKER: Well, I feel that I have an obligation to protect the rights of every member of the Chamber, and therefore I would suggest that the bill be left in the name of the Member for Flin Flon.

BILL NO. 3 — THE GIFT TAX ACT

MR. SPEAKER: Bill No. 3, An Act to amend The Gift Tax Act standing in the name of the Honourable Member for Kildonan.

MR. GREEN: Mr. Speaker, I can verify that the Member for Kildonan was standing this bill for another member and doesn't intend to speak so you can call the Member for Selkirk.

MR. SPEAKER: Order please. Again, you have placed me in a fairly . . .

MR. GREEN: Mr. Speaker, I think that with the Member for Churchill in the rules of the House perhaps not being familiar that there is a problem. I can assure you, Mr. Speaker, you can take it or not, that I can verify that the Member for Kildonan is not interested in speaking on this bill. I'm not asking you to accept that, you can proceed as you like.

MR. SPEAKER: Very well, I will accept that and he has adjourned it on behalf of the Member for Selkirk, is that correct? The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Speaker, I want to commence my remarks by relating to some comments that were made by the Minister of Industry of Commerce, Tourism and Recreation, in which he made statements which were not substantiated in the House by the production of a document that he was referring to, to vast sums of money allegedly fleeing the province of Manitoba over the past five years as a result of — his words, "problems relating to succession duty tax in the province of Manitoba." He suggested that one of my colleagues had this document but had not paid attention to it. Mr. Speaker, I must say that it would be very interesting, very interesting indeed, for the Minister of Industry and Commerce to permit members of the House to peruse the document that he makes remarks in relationship to. Mr. Speaker, I would be interested to know, is it based upon hearsay and if it is based upon hearsay, then from what individuals or what groups within the province of Manitoba? Mr. Speaker, if the Honourable Minister of Industry and Commerce wishes to deal with this rather than by vague references, then let him table the document here, now, so that we can ascertain whether or not, prior to this vote, there is any need to give it any credence.

Mr. Speaker, I submit that these type of references which were used — yes, with great flurry and with great scenes of emotion from time to time during the past provincial election campaign — was part of the fear campaign that was generated by the Conservative Party in Manitoba. Mr. Speaker, I think it was very unfortunate that so many farmers were unfortunately misled into the belief that succession duty tax imposed a much greater burden upon them than what was in fact the case. Mr. Speaker, I submit to you, and honourable members opposite have these records — these records are within the offices of the Department of Finance — that there would be no more, no more, and I'm being very, very generous in this statement, no more than 4 or 5 percent of the farmers in this province that would at all — at all — be affected by the imposition of succession duty tax. But to listen to honourable members opposite, one would feel a chill crawling up one's spine that thousands of innocent farmers attempting to toil out a bare existence upon their land were facing the inevitable result of having their lands confiscated from them as a result of heavy government through succession duty law. Mr. Speaker, the facts do not permit that conclusion. In fact, the Conservative Party as, Mr. Speaker, is really its custom anyway from time to time, deliberately played upon this fear in relationship to both these farmers and the small businessmen in this province.

Mr. Speaker, if the honourable member for Industry and Commerce — and he seems to be proceeding this route — wishes to establish in Manitoba a tax haven, then I say that he will be joining good company. We examined the tax havens throughout the world and if we join the tax havens throughout the world, then we will be joining most of the Banana Republics in Central America, we'll be joining the likes of Nicaragua, Dominican Republic, and we will be disassociating ourselves from the taxation policies of the vast majority, Mr. Speaker, of the Western democracies. Is that the direction that this government is moving us toward? By what I have heard in the last few days, I can only gather evidence that that in fact, bit by bit, inch by inch, is the trend of this government, a movement toward economic and social and political thinking which I had thought — and I am sure many other Manitobans had thought — that we had left behind a decade, two decades, possibly even more than that ago in this province.

MR. SCHREYER: Pre-Roblin Conservatives.

MR. PAWLEY: Pre-Roblin Conservatives and that certainly is what we seem to be embarking upon.

Mr. Speaker, the invalidity of the Minister of Industry and Commerce's remarks can be demonstrated by the information which honourable members have pertaining to personal income per person in Manitoba. If vast amounts of capital were indeed fleeing the province of Manitoba, then the result of that, if we pursued the economic arguments and rationale of honourable members opposite, should be a decline in personal income, individual personal income in Manitoba. It should mean that we are facing increased pinch and difficulty on the economic scene in Manitoba per individual and the results, Mr. Speaker, at the sums of money that were raised by the Honourable

Minister of Industry and Commerce in a hysterical fashion the day before yesterday in this House — and which were repeated in huge black headlines in the Winnipeg Free Press the following day in an article written by Mr. David Lee — if in fact that was fact, then, Mr. Speaker, economic reality is that there would have been a sharp decrease in personal income in Manitoba. But the fact is, Mr. Speaker, if we take 1958 to 1968, the end of 1968, during the entire period of the Roblin-Weir governments, we see that personal income per person in Manitoba increased by \$1,545 to \$2,598, an increase of 60 percent, in eleven years a 60 percent increase in personal income per person in Manitoba. From 1969 to the end of 1975 which are the most recent figures that I have available to me, during the Schreyer-New Democratic period of government, there was an increase from \$2,762 to \$5,491, an increase in six years there of 111 percentage points.

MR. SPEAKER: Order please. Has the government House Leader a question?

MR. JORGENSON: I was just going to ask the honourable member if he would permit a question. I wonder if, at the same time, he would give the rates of inflation for those two periods as well.

MR. PAWLEY: Here we are, Mr. Speaker. Fortunately they are available to me. From 1958, inflation taken out, the figure is \$1,246,000 and the 1976 figure is \$2,801,000.00. I would refer the honourable member to the 1977 Manitoba budget address, page 29, for all the particulars and the figures pertaining to the calculations after inflation is removed. So I would say, Mr. Speaker, that the basic premise remains very clearly that during the period of time of New Democratic Party government in Manitoba, during a period of time in which, if we listen to the Honourable Minister of Industry and Commerce, large sums of money were fleeing this province, personal income in Manitoba rose at a pace significantly better than during the period of time of the Roblin-Weir government. I think, Mr. Speaker, that in itself, if we are to accept the importance of investment capital as is the main premise of the government, that that is critical and important to the future economic development of individuals in this province, then that information in itself I think discloses the weakness, the invalidity and, in fact, the unfortunate ramifications from the type of hysterical pronouncements that can result to Manitoba as we have heard from the Minister of Industry and Commerce — hysterical, exaggerated pronouncements such as that do not help the economic and social life of this province, do not contribute to this province in any meaningful fashion.

Mr. Speaker, there was another pronouncement the other evening which I feel should be responded to. The Honourable Member for Lakeside made a number of references to the farmer who wishes to leave his property to a son and as a result he indicates that the son at the age of fifty, fifty-five, would often be working for a hundred dollars or less and how unfair it would be for a succession duty to be imposed, when this son who had worked all these years with such meagre earnings, would have his turn to receive a bequest of the farmland. Mr. Speaker, I don't know where the Honourable Member for Lakeside has been. I don't know on what roads and what routes he has been following in rural Manitoba. Mr. Speaker, I want to say to you that I have some little experience rurally. I have a constituency where certainly I represent a significant number of rural people, and I don't know . . . There must be very very few such farmers who would use their sons in that fashion in Manitoba today. I think it's rather unfair that the Honourable Member for Lakeside, by that type of inference would in fact, Mr. Speaker, be condemning or criticizing the farmers in this province because the farmers in this province no longer operate in such an unbusinesslike and in such an oppressive way in the main towards their sons. Mr. Speaker, my experience is that the sons are usually brought into a family farm corporate set-up, or partnership or co-operative set-up, very early and certainly they are not used in the fashion that the Honourable Member for Lakeside suggested where at the age of fifty or fifty-five they're still working there for a hundred dollars or less per month. —(Interjection)— That's just utter nonsense as my leader states. What really makes it more worrisome to me is that the member for Lakeside got up and he was accusing my colleague, the Honourable Member for St. Johns, for not knowing anything about rural life. He was going to tell him and he proceeded to give him these tragic stories and said they were prevalent in Manitoba. Well, Mr. Speaker, I say that it only unfortunately reflected on farmers in an unfair way in the province of Manitoba. I would hope that the Honourable that fear doesn't reflect the reality of the situation at all.

As indicated at the beginning of my remarks, Mr. Speaker, insofar as farmers are concerned in this province, most farmers fall under by way of net asset value the \$250,000 exemption if we are dealing with one spouse to son or daughter; certainly far under the \$600,000 that we are dealing with if the Marital Property Act was permitted to proceed, of exemption husband to wife — \$600,000 exemption there, \$250,000 further down. There are very very few farmers, Mr. Speaker, in this province who have net assets after eliminating all debts that are in excess of those figures. If I use the figure of four to five percent, I may be overly generous in the calculations that I have made. Very very few. Most farmers in this province are operating on the basis of from fifty thousand to a hundred and fifty thousand, two hundred thousand at the most in net assets after death. When honourable members keep talking continue to talk about the oppressive taxes that relate to small farmers, they are really creating a 'red herring'. Member for Lakeside would want to correct those statements so that they are not left on the record. They leave a blemish on our rural population in this province. Rural people have more decency in the main, to conduct themselves in that way in the province of Manitoba.

Mr. Speaker, if there is a problem in succession duty, then the rates can be adjusted, exemptions can be adjusted. All that I've heard to date in respect to the farmer and small businessman is that for some there may be frustration — I don't know of any tax that is popular. If there are problems then

deal with the exemption levels. Mr. Speaker, I have a suspicion that much of the problem that has been generated in the minds of so many in Manitoba, has been one that has been generated by the life insurance industry. Mr. Speaker, I have found in my journeys that one often has to deal with misinformation that is spread about by the life insurance industry; that it's an assist in selling insurance policies in many instances to suggest that there is tremendous danger of your farm being taken away by the government by taxation after death and there is this type of fear that is generated. I think that often they have succeeded, Mr. Speaker, I admit, in persuading a number of rural people that they are facing a tremendous problem vis-a-vis these succession duties that in the main just does not exist except in the minds, Mr. Speaker, of those who for one reason or another are interested in propagating a belief which is not correct.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Member for Selkirk, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: On Bill No. 4, an Act to amend The Mineral Acreage Tax Act, the Honourable Member for Flin Flon. (Stand)

BILL NO. 6 — AN ACT TO AMEND THE EMPLOYMENT STANDARDS ACT

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I was pleased to see the at least informal participation in the debate yesterday by, I believe it was the Member for St. Matthews who raised the issue of this government's dealing with the question of overtime wages. There was some dialogue back and forth which you, Mr. Speaker, correctly restrained the members from expanding so that it would be a problem for the House between myself and the Minister for Health, relative to the context in which the government legislated in regard to overtime at the last session of the legislature. I think it would be well, Mr. Speaker, to look at that context for a moment to see just what the new administration is doing with regard to this overtime bill.

There have been, Mr. Speaker, industrial disputes which I regard as a normal feature of democratic societies. I tell the Minister of Labour right now that if she is setting as her objective the ability to be able to get up and say that there are no industrial disputes in the province of Manitoba, it may all sound very well, but it would indicate to me first of all an unrealistic objective or secondly, an objective which can only be realized by the type of authoritarian government of either the left or the right which would sadly impair the rights of citizens of our society. I give this gratuitous advice, Mr. Speaker, that the Minister of Labour can take or not take, that her tenure as Minister of Labour will, as a natural consequence, as a natural result of the democratic system, involve labour disputes. I will not blame her for every labour dispute and I will not blame her for every labour dispute that is not settled. I will not come into this House and other than in a questioning way . . . I won't even pose the questions as was done by members of the opposition indicating that when there was a labour dispute the of Labour Minister wasn't doing his job. I say that if the Minister of Labour somehow succeeds in seeing to it that every employee is tied to his bench and is not permitted to leave it and that every employer must keep his doors open under circumstances which he finds unacceptable to him, I will, with much regret say that the Minister of Labour has moved this country or this province along a course which will threaten the individual liberty of every citizen in society.

I consider it, Mr. Speaker, a complete natural consequence that if I do not like the price of an article being sold in the stores that I will not buy it; that if the store is not willing to accept the price that I would pay for it that they do not have to sell it. I consider it, Mr. Speaker, the right of every citizen in our society, individually or collectively, to say that I do not wish to work and I wish to convince anybody else who agrees with me not to work under terms and conditions of employment that are being offered by a particular employer. And Mr. Speaker, this is not a change from anything that I have said in twelve years in parliament. I consider it the right of an employer to say that he will not hire an employee under terms and conditions of employment that are not satisfactory to him.

I believe, Mr. Speaker, in free collective bargaining and I believe that in the long run that although that may cause certain problems from time to time, in the long run it will result in less industrial disputes — note that I have not said “no” industrial disputes, I have said less industrial disputes — and greater productivity than the intervention of government in a legal way affecting one side or the other, which I say will result in greater industrial instability and less productivity. When the minister said in her remarks that she believes that terms and conditions of employment should be established by free collective bargaining she hit me in a very weak spot, Mr. Speaker, because I too believe in free collective bargaining.

I wonder what there is in this bill that has to do with free collective bargaining. It is taking the premium rate set by the government, set by the state, at time and three-quarters, designed for a particular purpose which she, herself, says will be accomplished and you know I think she is the only

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one of the Conservative party who verified that the purposes of the bill are accomplishable. Because when we introduced this bill into the House, Mr. Speaker, we were told by all the manufacturers and we were told by Conservative critics that this bill — time and three-quarters — will dissuade overtime; it will prevent employers from being able to pay overtime wages and therefore will cost the employer more money, and that the employer will have to pay that money, that it's going to cost the employers money. Excuse me, I think I got that development not exactly as I wanted to. They said that the bill will cost the employers money. We said it wouldn't cost the employers money. We said what would happen is that the employer, given a disincentive by the premium rate, would so organize himself as to reduce the amount of overtime, hire additional people where it was possible — and it's not always possible — and that it would cost him less money. The Minister of Industry is shaking his head that it wouldn't have that effect. I think he better clear it up with the Minister of Labour who, in introducing this bill, said that this bill will cause the employer to hire less overtime and the employee would make less money. That's what she said and she is the only Conservative who has verified that the consequences of the bill are exactly as we said they would be. And she says that the workers would be annoyed by this bill because it would mean, Mr. Speaker, that they would lose the overtime wage that they were getting up until that time.

Well, let's first of all indicate that the minister agrees that time and three-quarters is a disincentive to overtime hours she made that presentation in her speech. The fact that some workers would be dissatisfied — a great deal of workers would be dissatisfied — is something that we acknowledged when we presented the legislation. And we said, Mr. Speaker, that we cannot legislate for something merely because it is desired by either the labour unions or a group of workers. We have to legislate for all of society.

What the Minister of Labour now appears to be indicating — and she again said it — that we believed that legislation should take place only when it's desired by either the workers or the employers, and when a Conservative government is in power what that means, Mr. Speaker, is that we will legislate only when it's desired by the employer. Because I do not know — in the years 1966 to 1969 when I sat in this House — how many petitions of workers, for changes in the law, were listened to by the Conservative administration. So what she's saying is she won't legislate unless she gets the request, of the groups and I say that means the group, which is employers, or she won't legislate. And that's exactly what happened between 1966 and 1969. There was a Woods Commission — note a Woods Commission — that was supposed to recommend legislation to the Minister of Labour, the former O.B. Baizley. And Mr. Baizley kept coming into this House and to every recommendation that was made — not on behalf of workers but on behalf of people — the Minister of Labour said, "It hasn't been recommended by the Woods Commission." That's not a surprise to me. I negotiated between labour unions and employers for years and years. The interest of both with regard to the type of industrial conflicts that were taking place were the opposite. The employers already had all of the legislation they needed, including the legislation to get an injunction against every form of lawful picketing, including the legislation to get injunctions restraining people to go to work, and the Minister of Labour said, "We won't legislate until we hear from the Woods Committee". The Woods Committee was a petrified forest. And what the honourable member is now saying is that if we cannot get the support of the groups or the group, Mr. Speaker, we won't legislate.

The government of which I was a member took a different view. We said there are aspirations on the part of both groups. These aspirations sometimes come into conflict with one another, that we cannot always do the bidding of an interest group — and for that I look to the authority of the First Minister. He went on television the other day and said, "Huh, there are lots of interest groups to ask for legislation — The Women's Coalition. We're not going to legislate for interest groups. We are going to do what is right." And what was right in the context, Mr. Speaker? let's go back to the context.

A group of employees were involved in an industrial dispute with their employer. During the course of that dispute which lasted for many months and was considered a normal dispute, the employer said, "Yes, we have shut down our plant for so many months. We now believe that many of the employees wish to return to work and we are going to open our doors." It's a step, Mr. Speaker, it is one of the most regrettable steps in labour relations. It's one which I say that I would generally deplore but it's not one that one can ever legislate against. It's one that may cause tremendous harm to the employer who exercises it. It may be that the circumstances of his dispute — and opening the doors to people without having arrived at a collective agreement — would cause him to be boycotted, would cause his patronage to suffer, would cause people to stop dealing with him in any way. It may be to his terrible detriment but should it be illegal?

Well, Mr. Speaker, we started to hear . . .

MR. SPEAKER: Order, please. May I remind the member that he will have an opportunity to continue the debate later on. Before the House is adjourned I would like to ask the co-operation of both House Leaders to ensure that when debate is adjourned in the name of one individual of their particular party and someone else attempts to speak on it without that person being present, would the House Leaders of both parties make assurance that the rights of that individual who had stood the debate are not prejudiced.

The House is accordingly adjourned and will stand adjourned until 2:30 p.m.