

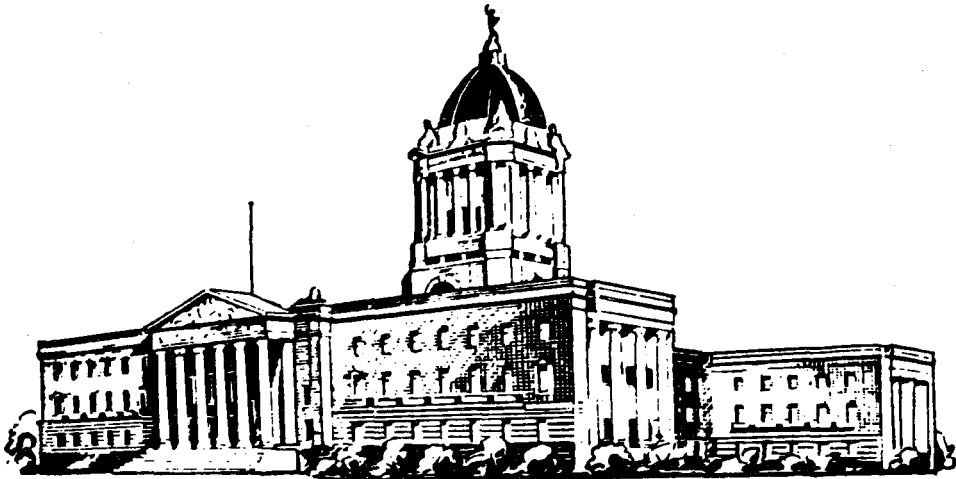


First Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

26 Elizabeth II

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The Honourable Harry E. Graham
Speaker*



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10:00 a.m. Friday, November 25, 1977

THE LEGISLATIVE ASSEMBLY of MANITOBA

Friday, November 25, 1977

Time: 10:00 a.m.

MR. SPEAKER, Honourable Harry E. Graham (Birtle-Russell): O Eternal God from Whom all power and wisdom come; we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our Province; grant O Merciful God, we pray Thee, that we may desire only that which is in accordance with Thy Will; that we may seek it with wisdom and know it with certainty and accomplish it perfectly for the Glory and Honour of Thy name and for the welfare of all our people. Amen.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees The Honourable Minister of Industry and Commerce.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. ROBERT (BOB) BANMAN (LaVerendrye): Mr. Speaker, I would like to present a report to the return to the Order of the House No. 45, issued on January 7, 1977 on the motion of Mr. Sherman. This return was compiled by the former Minister of Industry and Commerce and was mailed to the mover and party whips.

MR. SPEAKER: The Honourable Minister of Agriculture.

HONOURABLE JAMES E. DOWNEY (Arthur): Honourable members of the opposition, members of the government, I have a statement which I would like to make at this time to the House. Copies are being provided to the honourable leader of the opposition and to the Liberal member. It is in respect of the National Chicken Broiler Marketing Plan.

I wish to state, Mr. Speaker, Manitoba will enter such an agreement only if two conditions are to be met. First, that Manitoba's share of the quota increase one-half of one percent per year for the first five years, and that there be a further consideration at the end of that period. Secondly, that Manitoba can move live and processed products inter-provincially without restriction. Insofar as quotas are concerned, the proposed agreement established quotas for each province based on the average sales of respective chicken boards and agencies. During the 1971-1975 period, the quota set for Manitoba was 3.92 percent of the national figure, but we want as a condition of our entry, the right to increase this by a half percent a year, to reach six percent of the national quota in five years, with further consideration beyond that. Our insistence being able to move both live and processed produce inter-provincially without restriction, is to insure that we are not left in the situation whereby we supply live chicken for processing elsewhere. We want to ensure that our chicken broiler processing industry will not suffer as a result of our entry into the national plan.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, it is customary that comment be made by this side of the House with respect to Ministerial Statement of this nature. The subject matter of this particular statement on motions is one which — no pun intended — is not small feathers. Really, what lies behind this, Mr. Speaker, is a problem which perplexes agricultural policy formation in our country for many years, and it is further compounded by the fact that politically and among farmers themselves there are two very different points of view as to what ultimately is in the better interests of long term productive agriculture — supply management with attempts to maintain optimum price that can provide a return that is necessary for healthy agriculture, and then those — need it even be said, it is so obvious — who feel that that approach is too fraught with bureaucracy, artificial regulations, and that it is better in the long run to simply let the free market make the determinations. Needless to say, from time to time this fluctuates — this country, other countries in the free world, governments change, policies change, and the great white hope of the moment is replaced by its successor and it, too, ultimately runs into the problems that arise of taking any theory to extremes. So in one sense I look at this and say, "So, what else is new?", but more important, Sir, I express the hope once again that the ultimate realization of the negotiations taking place inter-provincially and federal-provincially will bear some productive results.

What I might say as a word of advice to my honourable friend, the new Minister of Agriculture, that I can share in the sentiments that are expressed in these two conditions, but that there is some danger in negotiating anything inter-jurisdictionally if you place your conditions on the table publicly in advance — makes it rather difficult to arrive at a healthy atmosphere of negotiations.

MR. SPEAKER: Are there any further ministerial statements? The Honourable Minister of Finance.

HON. DONALD CRAIK, Minister of Finance (Riel): Mr. Speaker, I beg to present return to Order of the House (No. 46), issued on June 10th, 1977, on motion of Mr. Sherman. This return was compiled by the former Minister of Finance and mailed to the mover and to party whips.

Mr. Speaker, I'd also like at this time to table the report of the Provincial Auditor to the Legislative

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Assembly for the fiscal year ended March 31st, 1977.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, Sir, I'd like to ask the First Minister if he can confirm or clarify, in whatever way he sees fit, that in fact no members of the Civil Service Commission have been removed by, or attempted to be removed by the Lieutenant-Governor-in-Council.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON, Premier(Charleswood): Mr. Speaker, the membership of the Civil Service Commission remains as it was when my honourable friend left office, with the addition of three new members to that commission.

MR. SCHREYER: Mr. Speaker, I obviously accept that as accurate and, therefore, I should like to ask the First Minister if he would assure this House that when meetings of the Civil Service Commission are held, that in fact all members of the commission receive notice of the meeting, as one would normally assume they would.

MR. SPEAKER: The Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to direct a question to the minister to whom the Manitoba Development Corporation reports. It has been variously reported recently in both dailies that Flyer Industries has lost \$40 million. Since the total accumulated loss as at October 11th was \$16 million and since the company was on its way to making a profit this year, could the member advise how the Corporation has lost \$24 million in one month of Conservative administration?

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

MR. GREEN: Mr. Speaker, a supplementary. If, Mr. Speaker, the figures are as I stated them and if, in fact, the Conservative administration has not caused a loss of \$24 million in the last month — which I can't subscribe to, I don't know — would it be advisable for the minister to indicate to the newspapers that stories of such losses affect the Corporation in its attempt to obtain new orders and that it's not conducive to the business climate in the province of Manitoba that such losses be suggested?

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

MR. LAURENT L. DESJARDINS: Thank very much, Mr. Speaker. I have a question for the Minister of Public Works. In view of the repeated statements by members of the present government before and after October 11th, that a Conservative government, unlike the former government, would place people first and that their first priority would be to conform with the recommendation of the Fire Commissioner, could the honourable minister explain his public statement of November 9th, that in order to save approximately \$10 million the minister would simply lower standards. Is that an opinion placing people first, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Public Works.

HON. HARRY ENNS(Lakeside): I am happy to have the opportunity to indicate to the members opposite that just this week contracts were let, work has commenced on the recommendations of the Fire Commissioners in carrying out the necessary renovations to the Portage La Prairie School for Retardates. Additional contracts for project work is out for tender for an additional \$300,000 of bringing up to date and to complete compliance with the Fire Commissioners reports in that particular institution, and that while I have no further control over the media reporting of a minister's statements no more so than my honourable friend had when he sat on this side of the House, my concern has to be a concern that was somewhat taken out of context into what possible way we can work towards carrying out Fire Commissioner reports under the new Manitoba fire code as it is now in force as from the date April 1st.

MR. DESJARDINS: Mr. Speaker, I have a supplementary question. Actually my honourable friend did not really answer my question. Have the standards been lowered or is my honourable friend now saying he has been misquoted in the newspaper and that there will be no lowering of the standards?

MR. ENNS: There will be no lowering of the standards.

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MR. SPEAKER: The Member for St. Boniface on a final supplementary.

MR. DESJARDINS: No it's not, it's to another minister and ...

MR. SPEAKER: Then I recognize the Member for Selkirk.

MR. PAWLEY(Selkirk): My question was directed to the Attorney-General but he's not in his seat at the moment, Mr. Speaker, thank you.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RON McBRYDE, (The Pas): Mr. Chairman, a further question to the Minister of Public Works. Since the new court house and jail at th The Pas were necessary because of the Fire Commissioners report on the old court house and jail, I wonder when a decision will be made to proceed with the new court house and jail at The Pas.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. ENNS: Decisions on that facility along with other facilities that have temporarily come under review will be made in due course.

MR. SPEAKER: The Member for The Pas on a supplementary question.

MR. McBRYDE: Mr. Speaker, sort of a supplementary but to the minister responsible for the Fire Commissioners office, I assume that would be the Minister of Labour. I wonder if the Minister of Labour as the minister responsible for the Fire Commissioners office is concerned about the statement made by her colleague and whether in fact the Fire Commissioners office reports will be implemented.

MR. SPEAKER: The Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, in view of the fact that we determined that the press has been misquoting some of the ministers, I would like to ask a question of the Minister of Labour. Has the Minister been misquoted also when the minister made a statement that the laying off of people in Thompson by Inco was the fault of the former government; and if the minister was not misquoted could she explain how she reached this conclusion.

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA PRICE(Assiniboia): Mr. Speaker, I don't believe I said that the fault was wholly the fault of the former government, I did say that it was due to the very strict rulings that the former government laid down to the mining industry that necessitated this problem to a degree.

MR.SPEAKER: The Member for St. Boniface on a supplementary.

MR. DESJARDINS: Is The minister then saying that the same restriction has been in order in Ontario with the Conservative government, is that the reason why they are laying off people in Sudbury?

MR. SPEAKER: The Member for Fort Rouge.

MR. LLOYD AXWORTHY(Fort Rouge): Mr. Speaker, I have a question for the Minister of Health and Social Development. He is reported as stating that he intends to review and re-examine the role of the youth centre and to indicate its primary function as a detention centre. Does that mean that the youth centre will no longer provide any rehabilitative services for the young people placed in that centre?

HON. L.R. (BUD) SHERMAN(Fort Garry): Mr. Speaker, it does not mean that at this juncture. I would say to the honourable member that the role and function of the youth centre requires intensive evaluation. My colleagues and I haven't arrived at any conclusion as to what the fundamental ultimate role will be determined to be but it will necessarily involve roles and functions for other institutions. That's part of an ongoing review at the present time. Rehabilitative services obviously have to be provided for juveniles. Should the determination be made to make it primarily a detention centre, that decision would only be made provided there were facilities for rehabilitation for juveniles elsewhere.

MR. SPEAKER: The Member for Fort Rouge on a supplementary.

MR. AXWORTHY: Supplementary, Mr. Speaker. If the minister's statement indicates the fact that the review is a broader based one than simply the Youth Centre, can you indicate then that the total

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area of rehabilitative services for young people or young offenders is under review and could he tell us who is undertaking this review? Is it being done in consultation with the variety of agencies such as Children's Aid and others which are involved in the delivery of these services or is it purely an internal cabinet matter?

MR. SHERMAN: Mr. Speaker, at the moment the review is being under-taken in a semi-official and rather informal way by myself and members of my department. I would like to take the opportunity to assure the honourable member that it will be a much broader review than that, that will involve the members of the executive council, probably the Task Force under my colleague the Minister without Portfolio.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Thank you, Mr. Speaker. I want to direct a question to the Minister of Public Works. Does he still intend to introduce legislation concerning Fire Commissioner's Reports and standards to make it legal for the government to delay most of the implementation? — (Interjection)—

MR. SPEAKER: The Honourable Member for Elmwood, with another question.

MR. DOERN: Mr. Speaker, apparently the minister does not grasp the question so I will ask another question. Has he now found money, whereas apparently he could not find money a few weeks ago, of the order of \$10 million to implement these reports? Has he now found funds and will he continue to uncover funds to be spent on the implementation of these recommendations?

MR. SPEAKER: The Honourable Minister of Public Works.

MR. ENNS: The possibility of finding any money after my honourable friends opposite have been in office for the last eight years is highly unlikely.

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

MR. JIM WALDING: Mr. Speaker, my question is to the minister reporting for the Manitoba Telephone System. Can he inform the House whether he has met with the Board of Commissioners of the Manitoba Telephone System?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, in reply to the question of the honourable member for St. Vital, the answer is no.

MR. SPEAKER: The Honourable Member for St. Vital on a supplementary.

MR. WALDING: The supplementary question, Mr. Speaker, is it the intention of the minister to meet with the Board of Commissioners?

MR. MCGILL: Mr. Speaker, in reply to the supplementary question, I would like to tell the honourable member that I appreciate his concern as to the affairs of the Manitoba Telephone System. I know his interest and I share them' and I certainly do plan to meet as time permits with the Board of Commissioners.

MR. SPEAKER: The Honourable Member for St. Vital on a final supplementary.

MR. WALDING: Yes, a final supplementary, Mr. Speaker. Would it be the intention of the minister to develop new broad policy guidelines for the Manitoba Telephone System. Is he working on these?

MR. SPEAKER: The Honourable Minister responsible for the Manitoba Telephone System.

MR. MCGILL: Mr. Speaker, matters of policy are indeed a great concern of this government and certainly they will be undertaken in due course.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Speaker, my question is directed towards the Attorney-General. Would the House be able to advise the House as to the commencement date for the launching of the St. Boniface Family Abuse Project?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: I will accept that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Selkirk with a supplementary question.

MR. PAWLEY: This is on a different subject matter.

MR. SPEAKER: Then I will recognize the Honourable Member for Wellington.

MR. CORRIN: My question, Mr. Speaker, is directed to the Honourable Attorney-General. Mr. Speaker, on November 4th, it came to my attention through the media that the Honourable Attorney-General had announced that an electronic sweep of all ministerial offices was to be performed by the RCMP. Presumably the sweep was performed in order to determine whether or not any surreptitious electronic surveillance had been taking place in those offices.

Mr. Speaker, my question is, who did the Honourable Attorney-General suspect of having attempted to undertake that sort of surveillance?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, Sir, the electronic surveillance was carried out and the members of the RCMP have nothing untoward to report.

MR. SPEAKER: The Honourable Member for Wellington on a supplementary.

MR. CORRIN: The question, Mr. Speaker, was, who the Honourable Attorney-General suspected of conducting such surveillance. One presumes that there was a rationale for asking the RCMP to make the surveillance.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, Sir, we suspected no one in particular.

MR. SPEAKER: The Honourable Member for Wellington on a final supplementary.

MR. CORRIN: Might I ask, Mr. Speaker, why those public costs were incurred by the Attorney-General if no one was suspected?

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Thank you, Mr. Speaker. I have a question for the Minister responsible for the Manitoba Housing. I would like to ask him if a resolution passed by the Manitoba Housing Board to purchase the BPO Elks senior citizens' housing in Winnipegosis and for the addition of twelve units will proceed as planned.

MR. SPEAKER: The Honourable Minister responsible for the Manitoba Housing and Renewal Corporation.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker, and I thank the honourable member for his question. The project that he is speaking about is part of the program for 1977-78 which is presently being reviewed by Management Committee and I would probably be able to give you an answer right now if that program had been presented to Management Committee before October 24th when we took office. It had not been presented. It is presently being reviewed and I will have an answer for you later.

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

MR. DESJARDINS: Thank you, Mr. Speaker. Mr. Speaker, I have a question for the First Minister. In fact it's more begging him to say, "Say it isn't so," and that he was misquoted also. Mr. Speaker, yesterday it was quoted that you had accepted the position of Speaker for this session and the next session, then you would determine if you would go along with this non-partisanship approach. This seemed to indicate that you will be partisan for the next session and I would want the people of Manitoba and members of this House to know that this isn't so. So please, Mr. First Minister, say this isn't so and you were misquoted.

MR. SPEAKER: I don't know whether the Honourable First Minister wants to answer that.

HON. STERLING R. LYON, Premier (Charleswood): Mr. Speaker, it should never be the position of the First Minister of this House to attempt to speak on your behalf, Sir. I think that you are quite capable of indicating by your deportment and by your conduct and chairmanship of this House, your absolute fitness for the position that you now hold and which we hope you will hold for many years.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Speaker, in view of the fact that a promise was made during the election that there must be and there will be jobs, what is the First Minister intending to do about the anticipated approximately 10,000 people in the construction trades who will be out of work this winter?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: In answer to my honourable friend's question, I think that the people of Manitoba on the 11th of October did the best job that they could to ensure that there will be an economic climate in Manitoba which will be conducive to the production of jobs in this province. We are hoping that that will take place.

MR. SPEAKER: The Honourable Member for Rupertsland with a supplementary.

MR. BOSTROM: A supplementary, Mr. Speaker. How does this fit in with the promise of acute protracted restraint?

MR. LYON: . . . very well . . .

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Speaker, I have a question for the Honourable Minister of Industry and Commerce. In view of the fact that on November 18th in the Information Services release, he had endorsed government interference in the private sector as long as it is not excessive. Would he be good enough to define the type and nature and the extent of government interference that he endorses?

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Leader of the Opposition. On a Point of Order the Government House Leader.

HON. WARNER JORGENSEN (Morris): I am sorry to interrupt the Leader of the Opposition, but I wonder if I may ask the Steering Committee to meet outside the House some time this morning.

THRONE SPEECH DEBATE

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, I was pleased to accommodate my old friend, the Member for Morris, the Government House Leader. Well, Sir, I would begin in a way that I'm sure you can anticipate. It is to my mind so completely appropriate that I should take this earliest opportunity to comment on your personal elevation to the office of Speaker of this assembly.

I have no way of knowing whether you were really wanting that position and responsibility or whether you are about as surprised at your new role as I am in mine. That is to say that your surprise — what I believe to be your surprise — and mine in finding ourselves at recent days and weeks in our new roles perhaps differs only by a small degree.

No doubt both you, Sir, and I share the feeling that were it not for the honour of the thing, we would just as soon that it were otherwise, and that the previous incumbents of these two positions had kept them. Be that as it may. I am sure that you would permit me on this day, at least today, to reflect on the fact that some have reflected on your previous role in this assembly and because of your desire, I suppose, to play a very active partisan role here, were rather skeptical about the likelihood of your future impartiality. But may I say, Sir, that I choose to be optimistic about your future conduct as Speaker of this assembly. The only fair test is time itself and the opportunity of proceeding on a new chapter. So I wish you well, Sir, and trust and hope that you will settle into your new role in a way that in the course of only a few months — certainly a couple of years — that you will feel as though you were to the Chair, born.

I take this opportunity as well, in a way that everyone can expect, to congratulate the mover and seconder of the Address in reply, and for that matter all new members of the administration and all new members of this assembly on both sides of the House.

For all new members of this assembly — and I would think, Sir, there are about a dozen new faces and persons here in this Legislative Assembly — I express the hope that their experience here will be interesting and not disappointing. On the other hand, since this assembly is a reflection, at least it is supposed to be a reflection of reality of the real world and life of our province, there will without doubt be some disappointment as well.

In congratulating the First Minister and members of the Cabinet, I make the observation that I appreciate full well the obligations and pace that they are and must carry. That is why I do not find it

difficult, at least in that one respect, I do not find it difficult, Sir, to express, at least with respect to their physical well-being and health, to wish them well.

Although it has often happened that the first session after an election — I guess it is normal — is one in which there is oftentimes continued hassling and reliving of the previous election. I shall try on my part to keep that to a minimum. Reference has been made to the size of the government majority and the fact that the majority, and it is a fact, gives them a solid basis upon which to assume that they speak for a goodly number of itobans, and that is a fact. On the other hand it certainly does bear telling and completing the circle, that insofar as the Official Opposition is concerned here that there is a perfect proportionality in the sense that I do not believe that for a half century or more that an Official Opposition has been put into that role and position with as high a proportion of the public vote as was the case in this past election. Indeed I should say the highest and by a good deal higher than any previous political party occupying the role and position of Official Opposition in Manitoba. So there is nothing undue or disproportionate in what has happened with respect both to government and opposition.

I suppose there is no way I can avoid making reference to the fact that the party of the Honourable Member for Fort Rouge had some part to play in the way in which these numbers and totals and proportions all materialized on election day. Well, I don't want to reflect unduly on the past, even as recent a past as the election itself. I believe that the conclusions are self-evident enough, that there is proportionality as between government and opposition and, indeed, the higher level of support, but equally true on both sides of the House.

Now, may I add as an afterthought, Mr. Speaker, to the mover and seconder of the Address and Reply to the Speech from the Throne — I have already congratulated them — say, in a slightly different context that I would suggest, if I can offer some fatherly advice, that they place their speeches of yesterday in a three-year chest and open it three years from now to read, not only for reasons of nostalgia — I dare say it is a nostalgic occasion, or will be so regarded in a few years — but also to compare for reasons of critical analysis and consistency, to compare their thoughts as expressed yesterday with their thoughts as they have them in the light of three years of experience in this Assembly and experience after three years of responsibility in grappling with the problems of the real world to see whether or not there has been any real learning experience, any real or significant change in view. I'm not suggesting that that will necessarily be so, but I suggest that to them they will find that an indeed I fear that there may be a reversion to about the same pace of entry into agriculture by young people as was the case in the 1960's. Mr. Speaker, that wasn't good enough. It was admittedly a problem — a rate of entry into agriculture less than half of the rate of entry of new people into agriculture in the past five years. So, my honourable friend will be hard pressed, but I urge him on and prosperity of agriculture in our province. So, we shall be watching that with very, very close interest.

Well, Mr. Speaker, I should like now to come to the Throne Speech proper and government actions and posturing to date. I would begin by indicating in the time that I have now which was not possible yesterday in proper procedures to indicate that insofar as cooperation is concerned in this session, we shall, as I outlined in bare detail yesterday, we shall be accommodating up to a reasonable point. We feel that it is only logical that if leave is required to introduce bills so that they can be read, we have already demonstrated that we are prepared to grant leave. We recognize full well that the government has the right to introduce motions on notice and these motions are debatable. It is to our view only logical that those who have views to present and to argue, hopefully cogently, will have an opportunity to do so. We do not intend to take time and delay proceedings by way of introduction of resolutions or orders for return at this session, and we would not propose to introduce motions in order to give everyone an opportunity to speak a second and third time on what would essentially be the same subject matter. So, having said that, I would hope and trust that there is no need to rush to the introduction of "speed-up" or closure really so very early in proceedings. And I hope and trust that the meetings which are held in the usual way — as the expression goes, "behind the curtain" I think the expression is — where the house leaders and whips will be successful.

Now with respect to the government's actions to date. Under normal circumstances, one would not be particularly critical unless, of course, there is specific cause. I must say that before I deal with the subject matter, the specifically-mentioned subject matter of the Throne Speech, that underlying it and behind it there is something I must make reference to — part of it is not surprising, part of it is surprising and unfortunate — and that is the government's economic analysis and statements relative to economic analysis, economic policy! to date and their fiscal posturing. Of course I must say I wish that every member of this assembly and every Manitoban for that matter had an opportunity to receive and read a document which has been made available by the federal Department of Revenue, Government of Canada, which presents the April, the June and the October estimates and revisions and estimates of revenues for all provinces with respect to those sources of revenues and tax fields that are collected by the National Department of Revenue, and if one were to read the entire and analyze the entire document in total Canadianwide perspective, one would see that any attempt by my honourable friends opposite to suggest that there is something undue or disproportionate that is happening here in Manitoba, they would realize very quickly that that is false.

Because it is a matter of some significance I intend to take some time here today, Sir, to put on the record the fact that for example and to begin with, that the gross total province estimates of revenue that were prepared last March for the beginning of the new fiscal year starting in April showed an amount of \$12 billion, 658 million, which three months later, even with the benefit of three months of actual experience, the amount was not significantly revised, that of \$12 billion, 600 million was revised

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to \$12 billion, 603 million, a difference of a few million but far less than a percentage point. But then, Sir, in the preparation of the estimates, the revision of the estimates for the third quarter and they keep this constantly upgraded and updated, significant revisions were made by those who run book on behalf of all provinces and the estimates then were revised from \$12 billion, 600 million, 658 million, down to 12 billion, 400 million, and that is after making adjustments in revenue guarantees, equalization and the like. But indeed, Sir, there was a change of in excessive of \$700 million for all ten provinces in the personal and corporate income tax estimates for the provinces. Indeed, to be more precise a change of minus \$688 million. Then if one takes that and translates it to each of the ten provinces, one finds that in the case of Newfoundland, revision for Newfoundland by the federal Department of Revenue people of \$16 million downwards; Prince Edward Island \$2.5 million; a province of a 100 thousand people; Nova Scotia revisioned downward of \$26 million; New Brunswick revisioned; downward of \$21 million; Quebec, there is no collection for Quebec by Revenue Canada! Ontario; a revision of \$337 million in personal income tax collection alone downward; Manitoba personal and corporate, the revision of \$43 million downward; Saskatchewan; a revision of \$40 million downward. In Alberta, a revision of \$78 million downward. In the case of British Columbia revision of a \$120 million downward.

Now, while no one may have stated it in so many words, the implication that was left — I suppose one has to say by innuendo or insinuation was that this was somehow undue and disproportionate here in Manitoba alone of the ten provinces when in fact even quick analysis will show that that indeed is the very opposite of the case. —(Interjection)—

Yes, a problem of course, but one that has to be viewed honestly, if honestly at all, in total national context and perspective and in that context and perspective the phenomenon is not in any way unusual, undue or disproportionate in Manitoba. It is a problem admittedly but one that is of entire nation-wide significance and remarkable consistency, and that perhaps should have surprised no one since the nature of the problem has to do with forces that go really on a national and indeed many of them, not all but so many of them, on an international scale. Indeed, my honourable friends in the short time that they have been in office already have reason to know that, if they didn't know it before, but I believe that they did know it before but chose to ignore it everything they said publicly. Because they, I am sure, are grappling whatever ways they feel they can with the problems that are caused as a result of the announcement by International Nickel, indeed in the very name, the International Nickel Company, where they have indicated that notwithstanding a political climate — the words in brackets are mine, Sir — notwithstanding political climate, notwithstanding the election of a government that is dogmatically wed to the notion that they must do everything to encourage, entice, cajole, not only private enterprise but corporate enterprise, notwithstanding all that, they have taken a decision that reality requires that they turn down their scale of operation, rate of production and also of employment. I wouldn't suggest for a split second that my honourable friends opposite are to be blamed for what is presumably a fact that International Nickel finds that the international market demand for nickel is such that they wish to continue and undiminished levels of production and employment have to carry ever-increasing inventory — at increasing cost to them. Harsh reality has required they take that decision.

But it is interesting, Sir, that in terms of the election of a Conservative government in Manitoba that didn't seem to make the slightest difference. I mention that because that certainly is important and significant background information. My honourable friends do not always have the luxury of pretending and posturing the notions that if corporations are having difficulty, that in every case all that need be done is to defeat a Social Democratic government and elect one that is absolutely committed. I would say, dogmatically committed to unrevised, not only private but corporate private enterprise. Well, we can see how much difference that is making.

Indeed, Mr. Speaker, there are forces it so happens of an international economic order of magnitude that will cause governments to have governments to have great difficulty in grappling effectively with quite irrespective of whether they are pro corporate or not so completely pro corporate enterprise in their philosophy. In case it need be said to remind, I take the opportunity to say now once again, that I would have thought that most people would share the view. Frankly that is not yet the case, that most people could share the view, that experience of the past thirty, forty years has to a time when we can accept the notion of a mixed economy, and a judicious admixture of private and corporate-private and public enterprises being the ones most likely to do as good a job for the well-being and prosperity of the greatest number of people as any conceivable alternative arrangement.

Well, we shall watch with interest to the extent to which honourable friends opposite rely less and less on public instrumentalities and more and more on that of reliance on corporate enterprise to take us into a better and more highly employed economy. They will forgive us, I'm sure, for being pretty sceptical as to the efficacy of tax changes in bringing about — particularly if the tax changes are in so large part relevant to such a small percentage of the population — they will forgive us for being sceptical as to the efficacy or effectiveness of that kind of approach in reducing unemployment and bringing about more equality of the human condition, more access of equality of opportunity.

Having said that, Mr. Speaker, I want to return now to look further with you, Sir, at the document which deals with the ten provinces and the revenue circumstances of each. I have already indicated that there is a significant diminution in the estimate with respect to every province, no exceptions. Now, on the expenditure side, which is something that we do not receive by way of estimates from anyone other than ourselves. We do not receive these estimates obviously from Revenue Canada, but rather from each provincial Department of Finance. In that regard, in case there has been exaggeration and a loss of perspective already, I point out that the extent to which estimates in the

first two quarters were deviating from the initial estimate, I believe, was in the \$20 million range, and that has to, Sir, be viewed in perspective because there is need every year, I should think, at about the mid-term in the fiscal year — four, five, six months into the fiscal year — to run an exercise of looking at actual performance and levels of expenditure in relation to initial estimate projections and to engage in some paring and cutting from time to time. It is not at all inconceivable that something in the order of \$20 million, more or less, could and should be pruned. My honourable friends, of course, promise to go much beyond that, and it'll be interesting to see the full extent to which that materializes.

I noticed in one of the newspapers of recent date the headline "Lyon Ready to Cut Costs in Two More Areas". So I looked closely to see what was being referred to, and I saw that it was with respect to contracts for consultant services — I don't deny that there may be some room there — and for activities regarding television, film, and video-tape productions. Well, Mr. Speaker, video-tape, cassettes, films — I can honestly say that there is always a propensity for some to advocate more and more of video-tape cassettes and extension, audio-visual aids, and the like, and I believe that we were, for our part, quite stringent in terms of watching that there was no undue increase in appropriations for those kinds of goods and services. This is not to say that there isn't scope for some cutting, but I would wonder, Sir, whether — after all, if it merits a headline one assumes that it must, if not millions, at least amount to some tens of thousands, and I'm going to ask for an Order for Return in a few months to see whether video-tape cassettes, the extent to which they were decreased and purchased will amount to a row of beans or not. Again, not because there isn't some scope, but because it is necessary to maintain things in perspective, and that is what is always so difficult.

My honourable friends are finding that sometimes and it just so happens that forces at work in the world and our country are such that they can wrestle and grapple all they like, they will have precious little impact. I suspect that many of them knew that, but I don't know to what extent they would have admitted it. Well, today is not the day, Sir, to go at length into some of these predominant economic forces at work having to do with the very kinds of goods and commodities and supplies that are regarded as essential to the stability of our industrial free world and to the related way of life and standard of living. Certain of these basic requirements are escalating rather sharply in price, some of it due to the fall-out, the cause and effect of inflation, but some of them really being the motivating force behind inflation, the principal motivating force — commodity price, energy costs, and so on. Having said that, my honourable friends do not need unnecessary criticism.

We'll leave it there for the moment and now turn to the six items which are the specifics of the Throne Speech. They are significant not only in and of themselves, but particularly because they give a pretty obvious and clear indication as to what the really top priorities of this Conservative administration really are.

As a matter of first and high priority, they are going to repeal the Mineral Acreage Tax of ten cents an acre paid by those who own land which includes mineral rights to it and land which is however also not farmed by the owners. So that means, in effect, those who are corporate owners, corporately held land with mineral rights, and those who are holding land in speculation, not actively farming it, and those who are no longer farming. In case there is any confusion about it, it is very simple and very clear that whoever owns land with mineral rights — and there are many who farm land and own it and do not have the mineral rights — that's another consideration. But the overriding factor, Sir, is to make clear that farmers owning and operating their land who happen to have mineral rights with that land do not pay this tax. So, it is therefore very valid to ask who is the principal beneficiary of this repeal in the ten pennies an acre Mineral Acreage Tax. And furthermore, Mr. Speaker, — (Interjection) — Yes, but the taxpayers I've already identified, Mr. Speaker — (Interjection) — My honourable friend will be able to justify . . . Well, it is a principle which my honourable friends obviously should know — it is a form of taxation that has been in place for many years in other sister Canadian jurisdictions, and I don't know that it has been regarded there as having something to do with whether Manitoba or Saskatchewan or Alberta is free or not free as the election ditty or slogan went. So, it's not as though, Sir, there is not precedent for it or a basis for it of experience in other jurisdictions and in more recent years here in our own province of Manitoba. But it's obvious, Sir, that they have given this a high priority even though it is also obvious that the principal beneficiaries of it have nothing to do with a number, reat by far, by far the reater number of Mactobans.

The other high priority is that they would also rush to abolish the Succession Duty and Gift Tax. Mr. Speaker, I have acknowledged that ultimately and eventually, if trends of recent years continue, that it might be necessary for us to discontinue that form of taxation here as well, but it is something which we would have related to all of the other parts of our country and also the extent to which greater or lesser numbers of Canadians were living with that tax or not. My honourable friends should realize, as some do I am sure; some I am equally sure are not aware, that it was a form of taxation which a previous Conservative Minister of Finance expressed regret at the prospect that it might have to be discontinued for reasons of inter-provincial comparability. The essence of that particular form of taxation was described I believe, by a former Conservative Minister of Finance as being rather a more equitable form of taxation than so many other forms of taxation. My honourable friends have seen fit to give a first and top priority to the hasty abolition of that tax. That action too, Sir, has no relevance to by far the greater number of citizens of Manitoba. I venture to say Sir, one does not have to be precise to within one percentage point, but I venture to say Sir, that with respect to ninety-five percent of Manitobans, that that abolition of that particular tax, which has been admitted by a previous Conservative Finance Minister as being relatively equitable, the repeal of it has no relevance

in any case to ninety-five percent and more of our fellow Manitobans. That they are giving first priority to. And they will presumably hope, and it will be quite some hope on their part that this action will somehow result in improvement in the economic performance and pace of economic activity in our province. Well, we shall see. There is no . . . that this can have an early effect. We shall see whether it has an effect even in the intermediate term of any significance sufficient to be measured. They are giving a first and very high priority to the abolition of the time and three quarter with respect to overtime. There I simply wish to say Sir, that at a time of increasing unemployment one would wonder why they have this haste to return to an arrangement which, if anything, provides in our view too much of an incentive to work overtime to the detriment of those numbers who are unemployed and potentially employable. That is hard to measure and we suggest an analysis there will show that that particular action will do very little with respect to alleviating even by degree 8 levels of unemployment in our province.

Then too they will suspend the Family Maintenance Act and defer the coming into force of the Marital Property Act, two pieces of legislation which we know and are prepared to concede, were controversial enough, partly because of arguments of principle, partly because of arguments of complexity and great detail and uncertainty therefore! in the proposed reform legislation. So if we are to understand their reasoning and intent, it is that they do not wish to completely void and nullify the intent of the legislation! but rather to postpone it for a period indefinite while they come up with some new approach, some possible further refinements. If that is the true purpose, the real purpose and intent, then of course, that is one thing and our apprehension and criticism here will be quite restrained. On the other hand, it will not take that long to ascertain whether the real purpose and intent is on the contrary, not to make refinements in detail, but to make basic changes in principle in the proposed reform of that law. I say furthermore, that one can argue with as much validity that uncertainty and complexity certainly surround the old law bearing on family maintenance and marital property. Indeed were it not so there would not have been as much surprise in recent years with respect to certain judgments in one or another Superior Court in different parts of our country in this regard. The reconciliation of common law and statute law with respect to this area of law has always been a cause of some doubt, confusion, uncertainty. Let there be no pretense that the old law is free of uncertainty, free of ambiguity and more important, that it is acceptably equitable, that it has a sufficient degree of equitability in it by present day standards. There is need to accept the fundamental premise that this law is in need of reform. The attempt to reform it is now going to be postponed. Rather than take undue time to speculate negatively about it, I serve notice that we intend to wait a reasonable amount of time for the true intent and purpose of the government in this regard to be made manifest.

Then obviously when they ask for concurrence with respect to validating an agreement which we on this side believed we had in any case and all along since the fourteenth of October, 1975, I don't think it is any secret that we intend to support the obvious. One could make the argument that there could have been certain refinements brought into the legislation. The reason we do not regard that as being of critical importance in that context, is because within a matter of a few months, not many months, it will be possible for those that are affected to whatever degree, to be in a collective bargaining process in which the admittedly great detail of historic relationships, can be thrashed out, talked out, figured out with paper and pencil at the negotiating tables. So for those reasons we feel quite justified in supporting that one of the six measures that are before us.

Indeed it is unfortunate that there is a direct contradiction between these six measures. Inherent in this one page — it is difficult enough to justify restraint, sometimes it is necessary and unavoidable — but to do that in the same breath as to be reducing costs to society or taxation levels those who are most demonstrably and by definition in greater ability to pay circumstances is somehow really expecting too much of so many. That being the case, Mr. Speaker I believe that it is quite obvious and consistent on our part to serve notice as we have just done as to where we stand on these specific measures before us.

I would be remiss, Sir, if I did not take at least some time this morning to indicate to my friends that we will during the regular session look forward to the calling of public accounts so that we can go into detail with respect to revenue and expenditure circumstances in our province and that I will do and my colleagues and I will do in a way that we believe to be most relevant and consistent, logically consistent, and that is in the full perspective of our whole country and not in isolated context. We shall also deal with allegations that have been made with respect to the nature of the public debt. I don't know if I should take time today to put on the record what the definition of "debt" was by a previous Conservative administration premier and what the definition of current and capital accounts were as given by a previous Conservative treasurer, finance minister and premier. I leave that to my honourable colleagues, who will have easy access to the Journals and Hansards of those years when we last had a Conservative administration and I think for those who are somewhat younger in years it will be an interesting and I think relevant exercise.

But more important than that, Sir, is to point out to honourable members of this assembly who perhaps have had no particular reason or occasion or opportunity to look at public finance accounts that much in the past, that when there is reference to Manitoba's debt, net debt, direct, indirect, more important, Mr. Speaker, and I find it quite ironic that I have not yet heard one Conservative spokesman indicate that whatever the extent of Manitoba's current debt and guaranteed liability that something in the order of a half a billion dollars and more of the amount that exists on the sheet today were committed, and for reasons by the way which I fully agree with, two of the three at least I agree with, but which all honesty requires be explained, got there by virtue of decisions made and

commitments made for the construction of a multi-hundred million dollar Kettle Rapids power plant, Atomic Energy Commission long distance transmission line, commitments by the way which, in case there is even the slightest uncertainty, I make very clear were decisions that properly had to be made. The important point is the decision having been made the actual creation of the indebtedness did not take place in the decade of the 60's but rather in the decade of the 70's but pursuant to decisions made in the 60's, the consequence of which without footnote or explanation or elaboration one would normally assume that the simple increase in the amount of the guaranteed liability was as a result entirely of decisions made by this administration when in fact a very significant amount, running to hundreds of millions, in excess of half a billion, was brought about or came about as a result of that sequence of events and that of course changes very much the percentage analysis that people like to make so often in time to time comparisons. Mr. Speaker, for reasons I have already indicated, it is certainly entirely logical on our part that I should move, seconded by the honourable the Member for Inkster, that the motion be amended by adding to it the following words:

But this House express its regrets that the government has, with the one exception that has time urgency, given a first priority to five measures that will:

(1) Change the impact of taxation in Manitoba and increase the relative burden of taxation on lower income groups by providing tax relief to those who have greater ability to pay, thereby detracting from equitability at a time of budget revenue difficulty;

(2) During a period of increasing unemployment, create undue incentive to Manitoba employers to utilize overtime hours at the expense of numbers of unemployed persons potentially employable;

(3) Perpetuate a system of law relative to husband and wife which has proved to be complicated, uncertain, demonstrably inequitable, and in need of reform.

MR. SPEAKER: You have heard the amendment, that this House express its regrets that the government has, with the one exception that has time urgency, given a first priority to five measures that will:

(1) Change the impact of taxation in Manitoba and increase the relative burden of taxation on lower income groups by providing tax relief to those who have greater ability to pay, thereby detracting from equitability at a time of budget revenue difficulty;

(2) During a period of increasing unemployment, create undue incentive to Manitoba employers to utilize overtime hours at the expense of numbers of unemployed persons potentially employable;

(3) Perpetuate a system of law relative to husband and wife which has proved to be complicated, uncertain, demonstrably inequitable, and in need of reform.

That is the motion. Is it the wish of the House to adopt this motion? The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you Mr. Speaker. I would rise at this time to make a comment or two on the Throne Speech. I recognize that it is breaking with some tradition to follow immediately on the heels of the Leader of the Opposition. I find though that I have to make virtue of necessity in effect that the normal procedures that I would normally be able to follow in asking for adjournment I haven't quite yet figured out how we are going to accomplish that. So I thought that we might as well follow in the spirit expressed by the government to expedite the business of the House and get on with what we're doing so I thought that it might be a chance to say a word or two.

The Leader of the Opposition, Mr. Speaker, expressed to you his welcome and congratulations and I too would like to endorse those. When I think back to previous sessions I can think of no one in the House who has had more experience with the rules of the House and therefore should have a wide and deep breadth of knowledge about their intricacies and their various problems and foils that one can get into so I think that there is no one better suited. I think in particular, Sir, of the fact that for the past two years in the past two sessions you were the critic on justice in the province for the Conservative Opposition and I am sure that that ability to understand the judicial temperament will stand you well in the month to come as we test that particular requirement for even handed fair equitable discretion. I am glad, Sir, that you had a chance to have some preparathis Chamber some new ideas and some different perspectives. I think after having four years of slug one another in continuous fashion that the addition of some new ideas and different ways of looking at things are certainly welcome, and I would only say that the odd moment, Mr. Speaker, as I closed my eyes yesterday and listened to the Member for Pembina recite his Throne Speech, certain overtones and echoes of the previous Member for Pembina wafted through these Chambers, and it would say that if nothing else the people of Pembina have a high commitment to consistency and continuity. In fact, I was wondering if Iago's ghost was also there, and I wondered if that's part of the agreement. I am certainly glad to see that the former Member for Pembina will continue in our proceedings and provide that influence. —(Interjection)— That's right. I will come to that in a minute, Mr. Speaker.

I would also say to the Member for St. Matthews — he might read it in the record — that I was glad to see that he intends to continue in the undying commitment of his predecessor to the questions of housing. Like he, I very rarely agreed with the former Member for St. Matthews; I am not so sure I will agree with the present Member for St. Matthews, but at least we can talk about the same subject because I think we will both have a continuing interest.

Mr. Speaker, I have always been taught by my family that in times of trouble and travail one's best source of inspiration is to revert back to the scriptures. Subsequent to the election I found that perhaps the best text for my comments would come from the scriptures of Job. Those of you who remember your Bible to some degree will realize that Job was singled out by God as being one of the

most upright and forthright of men, and having enjoyed all the riches of the world — thousands of sheep and healthy sons and daughters — and he was picked out by Satan to be sorely tempted of his faith in God, and after suffering a number of these abuses and watching his barns burn and his sheep being killed and all his servants massacred one gentleman managed to get to Job and said, "I alone have escaped to tell thee of the terrible news".

Well, Mr. Speaker, that would be the text of my presence here, that I alone have escaped to tell thee of the terrible news and it will not always be terrible, but there will be at times I am sure that members opposite will find that what I have to say will not be totally pleasing to them. I only hope that they will endure as well as Job has the various boils of office that they have inherited in their time to come. I too may have the advantage, as the Member from Inkster has pointed out, that, if nothing else, I can claim in this House is to speak with a total unified voice — at least inside the Chamber I can speak with a total unified voice — and I would hope, Mr. Speaker, that that voice will have some usefulness in the proceedings.

The question of the Throne Speech, I think, is a very interesting one. We all know that the reason for this session. It would not have been called if there hadn't been a direct imperative from a court decision to rectify the standing of the law in relation to the Anti-Inflation Program. It was of some interest to all of us when the government decided to use that occasion of correcting that particular problem to introduce additional pieces of legislation. What I think is interesting about that, Mr. Speaker, is that of all the multitude of commitments and promises and proposals that the Conservative party made in the election, why was it they chose the specific three or four pieces of legislation that they did. I have had a chance — I certainly got enough of a chance during the election when things were usually delivered to my doorway about every second day outlining the Conservative programs to go through the kinds of things they indicated they might do. And it is interesting that of this range of 50 or 60 some odd commitments that they happened to choose Succession Duties, Overtime Bill, Family Law and the Mineral Acreage Tax as those of most importance to deal with at this additional or special session. Why was it I ask myself that those particular measures, amongst all of them that they could have provided, they were going to abolish education property taxes, they were going to have a royal commission into the Manitoba Hydro — now there's a good idea, why didn't we have that going on? — we were going to rebuild highways to Thompson; there was going to be a homeowner's grant for repair and rehabilitation of older homes. There were all kinds of issues, Mr. Speaker, that I would say were of some merit, some importance, and yet they chose these particular five that we have before us. And, I can only say, Mr. Speaker, that it was done with very clear and deliberate design.

Well, the fact of the matter is that these particular pieces of legislation, it seems to me, were designed to provide a signal, a very precise and clear signal, to certain groups of people in the community about what they intended to do, that they are all designed, I think, to fit into the economic strategy that has been enunciated so far of signalling the idea 'that the way to deal with the economic problems of unemployment in the province of Manitoba, which is in many ways our most serious problem, is, in fact, to eliminate some of those nuisance problems that they have, to eliminate those infuriating taxes that bothered the businessman that bothered the farmer, whomever it may be, bothered the person who had a degree of capital.

So, we should treat, Mr. Speaker, these particular measures really as a package, they really are an economic package, designed to signal out to the population at large here is how we intend to solve the problems. And, I would suggest, Mr. Speaker, that the new government with its newly found mandate is running a very risky game, not a game that many of us are necessarily unhappy with, but very risky nonetheless, because what they are suggesting that they can do is that they can use that signal to the private entrepreneurial community that they are prepared to encourage and induce and stimulate their activity as a means of solving our economic problems as opposed to trying to intervene through various measures of government to do so.

And, in company with that they have also undertaken a number of fairly severe freezes, reviews, hold-ups, reassessments, which all amount, in effect, to a holding action or placing a number of economic stimulants in limbo so that at the very time that they are putting out the signal that they want the private sector to take over as our economic stimulant, they are also cutting back on the public ones. And so the risk that they are really running is if the private economy doesn't produce then this province is going to be in one bad terrible shape in the months to come. That is the problem, Mr. Speaker, that I say without any particular necessarily partisan or ideological problems, it is just that they are really running a risk.

Mr. Speaker, I think that they have obviously acquired the support of a substantial number of voters in this province for many of the measures that they are now introducing and no one, as the Leader of the Opposition indicated, is against waste, but if the fact of the matter is that after this task force sets down its business and scrambles the various departments and comes up with the odd secretary here who may be redundant, and the odd program there that may not be as relevant as it might have been at one time, or that there have been additional employees or too many paper clips bought, when they accumulate all the numbers of dollars that are attached to those so-called fat programs if they don't come up with a substantial significant amount of dollars that they can save, then a lot of this present sound and fury will be for naught and we will have been left with a number of cutbacks without anything to fill the vacuum. And, let's just indicate, Mr. Speaker . . .

MR. GREEN: Mr. Speaker, I'm sorry to interrupt my honourable friend, but I want to know whether I

heard him correctly because I wouldn't want him to be subjected to something in Hansard which I am sure he didn't mean. I believe he said, "No one was against . . ."

MR. SPEAKER: Order please. Order please. Did you have a question for clarification?

MR. GREEN: Yes, Mr. Speaker, I will attempt to get the honourable member to correct himself so that he won't some day be quoted as saying no one is against waste.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I accept the intervention of the Member for Inkster and it's clarification. As I said before in my new found exuberance and without the restraint of my former colleagues, I may be apt to strain at times so I thank the Member for Inkster.

What I, of course, meant to say that no one is against sort of looking for problems of waste and dealing with them, I think, that was the tenor of the remarks obviously. But what I also intend to say is that if you look at the forecast, not the long-term forecast, the immediate forecast, three months, six months, twelve month forecast, there are sectors of this economy which are in real trouble. It has been estimated that as a consequence of the numbers of "freezes" on capital spending programs that the unemployment rate in the construction industry could be as high as 30 or 40 percent, perhaps higher, who knows, who can take those multiplication facts. But, certainly the fact of the matter is that when they start off with a base line of about 15 percent unemployment, or 20 percent unemployment, in those areas, that all the programs that are now being held back, if they are held back for another three months and then have to go back to the drawing boards, many of those works will not be on the ground until next summer or fall at which time we will have gone through a period of very severe hardship. I hope that it is not another case of another minister being misquoted, but it seemed to me that one of the ministers of the new government indicated, "Oh, that's all right because unemployment insurance will pick up the slack". It may have been, in fact, the First Minister. You know, for a government that has pledged itself to restraint and sound principles to sort of say, "Well we're going to pass the buck to the other guy" — in fact, I have heard, Mr. Speaker, members of the other side on previous occasions when they were in opposition be pretty critical about the abuses of the Unemployment Insurance system. Now we have a minister of the Crown saying, "Well, we can get away with it because all those people who'll be out of work can be covered by Unemployment Insurance anyway." And that's a federal matter and they're going to have to raise the tax dollars. Our friends in Ottawa in the opposition there can hang the federal guys because they're having to pay the bills for what we're not doing in Manitoba. And we're in that kind of problem, Mr. Speaker. In the election campaign I think I and members of my party were certainly very much against several of the capital spending programs of the government. But what we said was that they were the wrong capital spending programs, they weren't going into the right places, and that the capital spending should have been put into areas that would have had the same impact in terms of the creation of employment but would have been more productive and useful in their impact upon the community and upon the necessary items of the public households in this province, such as housing, for example.

So, it's not simply a matter, Mr. Speaker, of pulling back, it really is a matter of replacing. When I looked at the audit report that the Minister of Finance was good enough to send around about a week or ten days ago, and looked at the capital expenditure areas, many of them that were being done were not in excess. The Manitoba Housing and Renewal Corporation in fact, if I look at those figures, Mr. Speaker, — even under, whatever, the old government, the new government — was spending less of its commitment this year than it had intended to. It wasn't overspending. In fact, it wasn't spending what it should have been spending in terms of supplying housing needs. And now we're holding that back, creating a high degree of uncertainty in that sector, and as a report in the newspaper of Thursday, November 24th — that must have been yesterday — said, "City Building Activity Lagging. Construction activity in Winnipeg during October was down sharply from the same month last year, the City Building Permits Department reported. Permits valued at \$20.5 million were issued last month, compared to \$24.7 million in October 1976." In fact, as this newspaper account goes on, they said that for the last several months construction activity has been lagging. So at the very time when there's a serious downturn in that sector of the economy, the government is compounding the problem by holding back certain areas of public works — almost all of them — and are doing so on the basis, Mr. Speaker, of that risk factor, that somehow private investment will rush in to fill the hole. Well, I sure hope they're right, because if they're not, then there's going to be some serious economic problems in this province in the months ahead, some very serious problems. Those are the human problems, the people problems, that every party at one time or another says espouses.

So, Mr. Speaker, that is something that I wanted to raise as a conce of mine. I would simply say to members opposite that reassessment is a useful function to perform for a new government. I just hope that that reassessment is not just another word for stoppage. I hope that the so-called review that is going on is simply not a polite way of saying that we are not going to be doing anything in these fields or only the minimal amount, because if it is, then there is going to be a risk that I don't think we can afford to run at this present stage. And I think there is enough evidence, Mr. Speaker, by a variety of economic reports to bolster that contention about the need for provincial governments in their own levels to take a greater responsibility for areas of job creation and economic stimulus than they have in the past. The Economic Council Report, in fact, indicates that the provincial governments have been getting off a little easy in terms of their responsibilities in the economic field for providing

stimulus. And so, the strategy that has been adopted has been very clearly signaled in the Throne Speech, and I hope that the signal is very quickly picked up by those for whom it is intended.

On other matters in the Throne Speech, Mr. Speaker, I would simply say that I also expressed a concern about the initiative taken in the Family Law Bill and we will have opportunity to look at those measures in greater depth. But I feel that unlike the other measures that were part of the campaign platform put forward by the Conservative party in the recent election, on Succession duties and overtime and whatnot, there was nary a mention of what they intended to do about Family Law. They did not state during that election that they were going to withdraw — they did not say in the election campaign that they intended as a priority item that they would hold up or suspend the implementation of those bills. In fact, Mr. Speaker, and the Minister of Public Works would remember, certain members of his caucus voted for those bills. One could only assume then that there should have been a responsibility to clarify their stance in the election, because it is obviously an issue of some importance to numbers of people in this province, and that a lot of plans or anticipations were based upon the fact, whoever happened to be elected, that those plans, those bills, that legislation, would continue, and that as a result the initiative taken by the Attorney-General to review those acts — and I certainly don't object to the review itself but I certainly think that the review could have been conducted in an entirely different way. The acts themselves did not have to be suspended or withdrawn in order for the Attorney-General to have established a committee of the bar and other interested parties to monitor the implementation and enforcement of the Act, to determine its problems, its intricacies, its difficulties, and then, if necessary, bring forward any remedial legislation at the full winter-spring session. That, it seems to me, Mr. Speaker, would have been the way to conduct themselves. If there was concern and worry about the way in which these bills might indicate problems for implementation on the part of the legal fraternity or with the Income Tax Department, then I think that there were other ways of handling that, sounder, more rational ways of handling it, than simply putting the brakes on and taking what certainly appears to be a series of retrograde steps.

Now, the First Minister, in an interview that I happened to catch a few weeks ago, said they are still committed to the principles of those bills. What he didn't say was which principles. All the principles? Is he committed to equal sharing of both commercial and family assets? Is he committed to the question of equal management of family goods and the family property? Those are the interesting answers that we hope to receive very soon, and perhaps during the course of the Throne Speech, or maybe perhaps when he introduces the bill, the Attorney-General would be good enough to indicate that, in fact, the new government is firmly committed to all those basic principles of those three pieces of legislation, and that what they're intending to do is simply to do a certain clean-up or clarification. But even if that was the case, Mr. Speaker, I would simply say to them and it may not be too late — that if that is their intent, simply to make the bills better, then I think that they are going about it in the wrong way and they are going to cause a great deal of anxiety, not only on the parts of the different groups that support and promote this legislation, but on the parts of a number of individuals who, in fact, have been anticipating, in terms of their own personal relationships and lives, that these would be the law of the province and then therefore were guiding themselves accordingly. We have now sort of thrown that kind of in abeyance. The Family Maintenance Act is going to be around for two weeks — I guess it's in force now, in effect. What happens there? Do we rescind it totally? Do we say, "For two weeks you're under the new act and then the old act"?

I don't quarrel at all with the concern that members opposite might have had about implementation but I certainly think that that concern would have been properly exercised by a monitoring system conducted by members of the government and by members of the Bar, and that if there seemed to be major difficulties, then in two or three months' time, when the normal session appeared, then those could have been corrected. So, that would be the concern that I would certainly raise and will have more to say about it at a later date.

I would also say, Mr. Speaker, in relation to the overtime bill, as quickly as I was able to read it last night, again I was somewhat perplexed by the fact that it really only took one side of the issue. It only dealt with the overtime pay rate as opposed to looking at some of the other problems with the bill that were there in the first place — the question of organized labour versus unorganized labour, and the fact that there really were two classes of people established under the overtime bill that we passed last year, which our caucus at that time objected to. So, I will be interested, Mr. Speaker, again in learning from the Minister of Labour what the intentions of the government are in terms of the overall question of overtime and whether in fact it will be dealing with the problems that appeared last year in relation to the major strike that occurred as a consequence of the overtime issue.

I would also just like to say, Mr. Speaker, a final word about what I think should not only be the actual legislative activity of this session, that we might also use our short time together — and I hope it is a short time together, my wife informed me that I haven't done any Christmas shopping yet and she thinks I am going to stay in here morning, noon and night to do it, we just wouldn't get along very well — but I would think that going back to the original reason for this session, the need to ratify or bring in legislation to deal with the Anti-Inflation Board, what that really in my mind is that it should provide all of us in this House with a very clear recognition that the work dealing with the problems of inflation have really just begun, and that while we can pass a simple piece of legislation dealing with the past the big question mark in many people's minds in this province — what about the future — what happens when controls start coming off? What happens to prices? Are we going to be faced with rent hikes of 20, 30, 40 percent? Are there going to be a massive number of labour management conflicts, disruptions, strikes, as workers attempt to regain all they have lost over the past two or

three years? And so far there has not been a great deal said about what the program or position of the new government might be in relation to how do they intend to cope with the turbulence and disruption that is inevitable once the controls start coming off? Do we have plans for phasing? Not just in relationship to the federal program but also within the province itself.

We are going to be asked to pass a piece of legislation dealing with the public servants of Manitoba. Those different public servants, associations and employees' groups have said time and time again that they have been restricted under this Act and they intend to redeem themselves once it comes off. Well I would hope, Mr. Speaker, that as we deal with this issue that perhaps the Minister of Finance, other economic ministers in the front benches will begin to indicate to us what steps they have taken or are going to take to begin the planning and development of a transition program to deal with the problem of prices in this province. With a great deal of alacrity they have dealt with the problem of government reorganization and looking for, sort of, excess civil servants. I would say that the same kind of mechanism, task force or whatever it may be, is also required to deal with the problem of transition and to deal with the problem of how we as a province intend to move into a period where we can still guarantee to the people of this province that they will not be faced, come next spring or summer or fall, with exorbitant price increases in food and housing and hydro rates and wage rates in civil service.

The point is, Mr. Speaker, there are ways of dealing with it and no one is better placed to deal with it than the Minister of Finance who as spokesman in the opposition⁸ made many of the recommendations himself. So I hope, Mr. Speaker, that we will get that kind of information.

Finally, I would simply say that one other issue that this House may use the next period to look at initiatives is in the question of our position and role in the debate over Confederation. There has been a number of nice speeches in this House over the past couple of years about the crisis of Confederation and what to do about Quebec. Since the election the First Minister made a statement in Quebec City which certainly caused me some concern, and I think others in this province some concern, if he is in fact representing the point of view of the government of this province, and I think that the time is getting short, time is beginning to run out. We have waited, in a sense, our proper period of preparation and of silence on this issue of what does the province of Manitoba intend to do and say in relationship to the reorganizing of this country or the redefinition of its constitutions, and the re-establishment of relationships between the federal and provincial levels. What does it intend to do in relation to the question of language? We had a somewhat absurd situation just last week where one of the courts of our province had to run out on the street and sort of find any handy francophone that they could haul off who happened to be . . . Some woman said that she was delivering a letter in a mailbox and all of a sudden she found herself on jury duty and some poor fellow was trying to get home for dinner and he found himself on jury duty. Obviously, Mr. Speaker, that issue cannot be left unattended too much longer.

It would seem to me that again a prime responsibility of this House in its new session, in its new life, is to address much more seriously than we have in the past that very critical issue. I would simply raise as a matter of proposal perhaps for consideration that one of the items that the new government might consider is the establishment of a legislative committee to examine and receive the concerns and representations of people in this province so that they also understand what the variety of opinions and attitudes are.

It was not an item that was debated with a great deal of frequency during the election campaign but I know, Mr. Speaker, it is on a lot of people's minds. What are we going to do? There's all kinds of private organizations and associations being set up to deal with it, and there are conferences and seminars. I think the new growth industry in Canada is conferences on national unity. I would hope that we can maybe conduct it in a more legitimate fashion in terms of the elected representatives of this province also dealing with the issue, and dealing with it in a fair degree of non-partisanship through the avenue or vehicle of a legislative committee that might examine the constitutional requirements, the questions of language in this province, how it affects the courts and the Legislature and come up with the kinds of recommendations that might be made.

I think, Mr. Speaker, we all know that those are notions tinged with a great deal of emotionalism, a great deal of concern, and it may be that the best way to conduct it is to do so in a way that all parties may be involved in those deliberations and examinations in order that it is not something that is seen as partisan one way or the other. I would simply leave that suggestion — a recommendation if you like, Mr. Speaker — for some consideration. Perhaps the First Minister would at least contemplate it in a minute or two amongst all the many other busy activities they have.

So, Mr. Speaker, there are some of the concerns that I on behalf of my party — the only one on behalf of my party that is here, intend to raise during this short session — and also some of the concerns that I hope the government would think about in terms of preparation for the next winter-spring session. Thank you.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I move, seconded by the Member for St. Vital, that debate be adjourned.

MOTION presented and carried.

GOVERNMENT BILLS - SECOND READINGS

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

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

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the consideration of the legislation before us, Bill No. 2, to ratify the Canada-Manitoba Anti-Inflation Agreement is of course the prime purpose for our being here in session at the present time.

All of us on both sides of the House agree, I believe, that it is unfortunate that we have to validate the action that was taken by our predecessors by way of Order-in-Council. However, it was a close decision in the Supreme Court, a five to four decision. The province of Ontario went through the same throes with respect to the question of how the agreement was to be brought into force in that province, so we make no attempt at this time to exact any sliver of partisan advantage in any way at all. It is a necessary housecleaning measure that has to be done in order to preserve equity as between the public and the private sector in Manitoba and to continue what was the intention of the previous administration, indeed I think reflecting the opinion of the people of Manitoba that Manitoba both in the public and private sector should be within the anti-inflation arrangements and the agreement that was signed by our predecessors with the then Minister of Finance, be validated by this legislation.

I suppose it is worth mentioning for the record however, that the bill before us is one which legal counsel had drafted in 1976. I know that there was some difference of legal opinion as to whether it should have been brought in at that time. Had the bill been dealt with in 1976 we of course would not be here today, but that is academic. We are here today, the Supreme Court decision does exist and statutory authority must now be provided to ensure comparability of treatment between the public and the private sectors in this province.

I assume, Mr. Speaker, that the House will give unanimous support to this legislation since it does merely give formal authority to action which had already been taken by the previous government. The form of the legislation, I can point out, is based largely on the Ontario statute which was passed following the Supreme Court's ruling in 1976 with respect to Ontario's agreement with the Government of Canada, which also as I have mentioned did not have adequate authority. The legislation makes no changes in the Canada-Manitoba agreement so it will continue to stand as signed on February 25, 1976.

There have, of course, been suggestions made that the legislation could be modified or might be modified to make provision for special exceptions or exemptions. However, it is our government's feeling that it would not be appropriate to do so even if it were possible because a contract is a contract as between two contracting parties and the concurrence of the national government would be necessary if any exceptions were to be contemplated. Of course the Anti-Inflation Program permits some flexibility in the application of the guidelines by the AIB and the administrator. Whether or not this flexibility is adequate and whether or not rulings have always been what various members of this House, including myself, might regard as fair or satisfactory, the fact remains that the rules for the public sector have been much the same as those for the private sector. To change the rules for the public sector retroactively at this stage would be discriminatory I suggest. I want to make it clear, however, that by proposing this legislation our government, no more than our predecessors, is not evincing any particular wild enthusiasm for the anti-inflation program or for some of the findings that the administrator has made with respect to certain groups of public employees in Manitoba. I single out, in particular, the Liquor Commission employees where I think there general agreement on all sides of the House that the ruling made in that case was not a substantially good one or necessarily an equitable one. We also believe it is important for the provinces, having entered into the agreement, to co-operate with the federal government in such action. The federal government, of course, has now announced that the decontrol process will start on the 14th of next year. It is our view that for the orderly and consistent treatment, both within our province and alongside most other provinces, we should follow Ottawa's lead in decontrol timing just as was done when the province entered the program some two years ago.

I may say that we have had submissions from a number of the public sector unions as recently as this week indicating that they would wish the government to give some consideration to utilization of

the three-month notice under the original agreement as signed. In other words, that Manitoba might, as some other provinces have done, consider utilizing the three-month notice and thereby withdrawing Manitoba probably some six weeks or so from the agreement before the 14th of April. That submission was made orally to us just this week confirmed by a letter which we received, I believe, only yesterday and is receiving consideration by the Executive Council but, at the present time we have no policy decision to announce in that regard.

Mr. Speaker, I expect that I will be meeting with the Prime Minister before too many more weeks elapse and I know that the Minister of Finance will be meeting with his federal and provincial colleagues to discuss the general economic situation in Canada. I can assure the House that we intend to do our part in the decontrol period to make sure that inflation and inflationary pressures are kept under reasonable control consistent with the legitimate demands and the legitimate collective bargaining processes that go on regularly in the public service. And, on the occasions when we will be meeting with our federal counterparts we will be advising the federal government that we believe it is imperative for all jurisdictions in Canada to exercise far greater restraint than has been the case in the past.

I assume there will also be some discussions of specific aspects of the decontrol process, not all of which at first blush appear to be totally equitable to different groups having regard to when their collective agreements expire and we would want to have some discussions with the federal authorities in that connection as well.

People of this province and of Canada as a whole, Mr. Speaker, have experienced a difficult period of double digit inflation. I believe that none of us in this House and certainly none of the people of Manitoba want any part of another such experience. We want to keep inflation, so much as we have control over it within one province, as much under control as possible because it does wreak its vengeance on the weakest members of our society, that is those who are on fixed incomes, our senior citizens, those who are not organized to bargain collectively and so on. People are now realizing that expectations must be more realistic and that the demands on the economy from all sectors must be more moderate. The budgetary problems that we face in Manitoba are just one symptom of the kinds of excesses which must be prevented if confidence is again to be restored and the economy is to get moving again.

So I lay this measure before the House, Mr. Speaker, for its favourable consideration. I am sure that all members of the House will agree that it is needed in the public interest and we will welcome comments from the members of the opposition with respect to the bill and the ideas that they might have, but I suggest that it is imperative that this legislation go through at this session because this, of course, is why principally we are here to enforce this mandatory and retroactive piece of legislation. I commend the bill to the House, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Point Douglas.

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

MOTION presented and carried.

BILL NO. 3 - GIFT TAX AND SUCCESSION DUTY ACTS (MANITOBA)

MR. SPEAKER: Bill No. 3, An Act to Amend the Gift Tax Act (Manitoba) and the Succession Duty Act (Manitoba). The Honourable Minister of Finance.

MR. CRAIK presented Bill No. 3, An Act to Amend the Gift Tax Act (Manitoba) and the Succession Duty Act (Manitoba) for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I suspected that some explanation would be requested on this bill and prepared a few notes. Mr. Speaker, this bill before us, Bill No. 3, upon its passage would have the effect that there will be no tax payable under the Succession Duty Act and Gift Tax Act in respect of deaths occurring on or after October 11th, 1977, or gifts on or after the same date. The legislation will remain in effect for the period prior to that date, Mr. Speaker. Mr. Speaker, this is an undertaking that was given by the Progressive Conservative party during the recent election campaign, and having formed government felt obliged to move on it rapidly as was indicated during the election campaign. There are a number of other measures that will come to the fore in the near future that will be commented as well on during this current session but do not require the legislation during this current session, in an attempt, of course, Mr. Speaker, as has been indicated to deal with only those items that are considered to be a priority at this time and that do require actual legislation.

Mr. Speaker, the Succession Duty Act, its removal in terms of the budget in the current year was approximately \$5 million budgeted for. The repeal of it as of October 11th does not make any substantial difference to this year's budgeting. It does though, Mr. Speaker, have a substantial effect

in helping to create the mood or the environment in Manitoba which we want to create to try and spur the private sector into a more active participation in this province and its growth in the future.

Mr. Speaker, it is difficult to assess, in any formal way, the impact this legislation has had in the past on driving investment capital out of Manitoba. It is difficult to say because there are no direct ways by which a government can get and develop actual figures. But I think, we all know very well from comments from the private sector, from those who were involved in both the accounting and in the legal business, and from cases that can actually be verified, that the amounts of capital moving out were substantial and it was by those people who could afford the advice and the expensive advice I might add, Mr. Speaker, that would allow them to make the accommodation to move that capital into other provinces. Alberta never did have a succession duty tax in recent years since the federal government made its changes several years ago. British Columbia and Saskatchewan and Manitoba did have, British Columbia and Saskatchewan earlier this year both removed their Succession Duty Acts. This made it more mandatory even more so than it was before, to have this particular tax removed, because the capital from Manitoba was not only moving out to Alberta it was then moving out to British Columbia and to Saskatchewan as well.

To go back into the history of this, Mr. Speaker, the succession duties of some years ago were part and parcel of federal legislation that was enacted in conjunction with the provinces prior to the time when the capital gains tax existed in Canada. When the Federal Government imposed capital gains tax, it removed itself from the succession duty field and a number of provinces moved back in. There was some rationale for the federal government getting out because many estates that are taxed are still taxed through capital gains. The capital gains tax will still apply but goes to the federal government. The existence of the succession duties caused a double taxation in many cases where you had small businesses and so on, where you may have had a one-owner type of proprietorship that grew into a medium or even a significantly sized business and then upon the death of that one owner, the business or the enterprise or whatever it was, became vulnerable to actually having to fold up its operation in order to pay the taxes that occurred. In order to pay the succession duties, the business would have to be sold and when the business was sold it created a capital gains tax. By the time the two were compounded, you had this problem occurring of really the entire enterprise and the jobs with it actually being in jeopardy.

Well that is not the principal reason, Mr. Speaker. The principal reason, as I said, is that Manitoba must remain competitive in the total tax picture. This has been a self-defeating tax. The amounts that have come to the province have not increased concomitantly with the rate of increase that was applied by the former government. It simply meant that as the tax became more punitive there were more people making expensive arrangements to get out of the province. As a result this tax has not brought in the revenue that was anticipated by the former government when it imposed the tax. It simply drove out those pockets of capital that should have been available for reinvestment in Manitoba. Probably the worst part of it is Mr. Speaker, I did not realize it until finally I was able to get my hands on an order for return which I filed in this house a year and a half ago to get a breakdown of where this money was coming from money that we were coming from people who primarily could not afford, or who were not in a position to avail themselves of expensive advice and had to sell the family farm, or whatever it was, to get out of Manitoba. That was where it was coming from. It was not coming from the large pockets of capital who were in fact the expensive get the million dollars of estates that were making the expensive arrangements to escape Manitoba. That order for return was never filed and that information was never available Mr. Speaker, until eighteen months after that order was actually filed. It is quite revealing if the members opposite want to go back and have a look at that. It would have been very helpful though, if we would have had the information available at the time.

We have no hesitancy on either a philosophical ground or the more practical pragmatic grounds of attempting to spur the private sector and provide a welcome atmosphere in Manitoba for the reinvestment of that capital in Manitoba to provide more jobs and more opportunity in Manitoba, and we trust, Mr. Speaker, that that will be the result of taking the measure that we propose in Bill No. 3 in presenting it to you today.

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

MR. SAUL M. CHERNIACK: (St. Johns): Mr. Speaker, I wonder if the honourable minister would permit a couple of questions?

HON. DONALD W. CRAIK: Mr. Speaker, if it is in accordance with your rules, it is fine with me.

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

MR. CHERNIACK: Thank you Mr. Speaker. I would like to ask the Honourable Minister of Finance if he would agree that the majority of Canadians today are subject to estate and gift taxation.

MR. CRAIK: Mr. Speaker, with the passage of this bill, there will be no one west of the Ontario border who will be subject to succession gift tax.

MR. CHERNIACK: Will the honourable member agree that the vast majority of Canadians are east of the border of Manitoba?

hon. WARNER JORGENSEN (Morris): Mr. Speaker, on a point of order. I think the honourable member knows very well that the questions asked on this occasion are for clarification. Obviously those questions are not for any kind of clarification, but to satisfy his own ego.

HON. CHERNIACK: I assume the honourable, the house leader, rose on a point of order although I did not hear him state why he rose. If the point of order is that the question is not for information, then I would like to know whether it is not a matter of information as to whether or not the vast majority of Canadians are today unsubject to estate taxation. That should be a matter which is within the information of the minister of finance and which he should be able to share with us.

MR. CRAIK: If it helps the Honourable Member for St. Johns to prepare his rebuttal to this proposal, the answer to his question is probably yes. At the same time it should be pointed out that the actual limits imposed in the provinces he is referring to east of Manitoba, that the limits that are placed are quite different than those that were in Manitoba and that although they may be subject to them, the limits in practical fact probably suggest, if he wants to go into the arithmetic, that a small minority of the people will in fact be exposed to this tax in Canada.

MR. SPEAKER: Have you another question for clarification?

MR. CHERNIACK: Yes, Mr. Speaker. Is it not a fact that the similar percentage of people in Canada subject to taxation is today in Manitoba?

MR. SPEAKER: Order please. Order please. I believe that is an argumentative question.

MR. CHERNIACK: Would the Honourable Minister of Finance, having explained to us the practical competitive reason for this legislation, indicate whether he or his party have a philosophic policy attitude towards estate taxation?

MR. CRAIK: Mr. Speaker, I suspect that the answer with regards to recognition of the competitive part of it, that the response that we would have is probably that it has the same roots that caused his own leader, now the Leader of the Opposition, to state during the election campaign that his own party was either, as I recall, going to change the limits or get out of it completely. Perhaps he would like to answer that and that will answer his own question.

MR. SPEAKER: We have a motion on the floor by the Minister of Finance.

MR. WALDING: Would the Honourable Minister just answer one further question, Mr. Speaker?

MR. SPEAKER: The Member for St. Vital with a question.

MR. WALDING: Mr. Speaker, the Minister of Finance referred to some statistical information that has recently come to his attention. Would he be prepared to share this information with the Opposition so that we may see the number of farms that had to be sold to pay these duties?

MR. CRAIK: By all means, Mr. Speaker. The information is prepared by way of an Order for Return that was filed some eighteen months ago and if it isn't filed I will make sure it is filed within a day.

MR. SPEAKER: The Honourable Member for Point Douglas.

MR. MALINOWSKI: Thank you, Mr. Speaker, I beg to move and seconded by the Honourable Member for St. Johns that debate be adjourned.

MOTION presented and carried.

BILL NO. 4 - AN ACT TO AMEND THE MINERAL ACREAGE TAX ACT

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK presented Bill (No. 4), An Act to Amend The Mineral Acreage Tax Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, this particular bill is one that also represents the response to an undertaking that was given during the course of the last few months by the Progressive Conservative party which is now in the position of being government and fulfilling that obligation that it had and gave to the people at that time, and that is to remove, by way of Bill (No. 4), the Mineral Acreage Tax Act that has been in application in Manitoba in the last few years. This will have the effect of changing the revenues of the province of Manitoba to the extent of approximately \$400 thousand. The receipts for this last year that we have available are that the amount was \$398,959.70.

Mr. Speaker, there has been some issue in the past as to what the cost of administration was of this Act, apart from whether the Act was an equitable imposition of taxation, and there never was a complete and full answer to the costs of administering the Act. But it's fair to say — and it still is difficult to put an exact figure on that — but it's fair to say that a very significant part of the revenues collected are actually used up in the simple administration of the act. In other words, it has been again much more so than the succession duty act a very real question mark as to whether it even justified, even under the costs of the administration, the imposition of the act. Now, that's not the reason for its repeal.

The reason for its repeal is that it is not a fair taxation and, just to give you some idea of what was happening, Mr. Speaker, on this act, there was an Order for Return again filed by the current government when it was in opposition to get the information on this, on where the money was coming from. That order, Sir, was never filed, and the information was never available to us until we formed government, but we now have it and I'd like to share it with you. Of the total amount that I indicated in taxation collected: from corporations came \$117 thousand, two hundred and fifty-seven corporations were involved — produced \$117 thousand — 7,870 individuals were taxed for a total of \$268 thousand, and the rest of the categories are quite minor — rural municipalities, trust companies, other financial organizations — numbers are very small. That's almost the total of the amount collected. So, Mr. Speaker, there were 7,870 individuals who were taxed at the rate of ten cents an acre to produce this \$268 thousand.

But now let me give you the really bad part of this particular act and the way it operated. There were 13,392 individuals who did not pay the tax, and if they had paid the tax, it would have produced \$610,237.00. Mr. Speaker, on a two to one basis, the people were giving up their mineral rights — or were prepared to — didn't give them up, but were prepared to give up their mineral rights and were forced into giving their mineral rights up by a coercion of the threat of taxation by the government. So, in actual fact, what was happening was that two out of three were allowing this to lapse, one out of three only were paying the tax, and, of course, you can imagine the administrative costs of dealing with those numbers of people and also the costs of dealing with the others. In total, Mr. Speaker, then of the 21,000 sources — almost all of them were individuals. It wasn't corporations, and it wasn't trust companies, and it wasn't other financial organizations that this was coming from. It has been referred to as being a nuisance tax and you can see why it was a nuisance tax, because we were going after people who are either farmers or formerly were farmers or were retired, who were being faced with yet another tax form, and as a result of that, we've ended up with a high administrative cost, a nuisance to the people, a very low revenue return to the province. This bill effectively — what it does, Mr. Speaker, is it says that there'll be no more of this particular tax act. It will not apply during 1977. It will cease to be effective December 31st of last year, so no bills will be sent out to the people again this year.

There is a provision in the act, also, to allow some time for those people who have allowed their payments to lapse to regain their position by paying the back tax beyond that date with interest to clear up their position. There is a time period allowed for that, and it will take us still some time to straighten it out — some time period will be required to straighten it all out and get it back to square one where it should always have been, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Point Douglas.

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, before we go on to the next bill, I think there is a general disposition to complete the second readings of all the bills that are on the Order Paper, and then the House will adjourn for the day, rather than adjourning at 12:30 and coming back at 2:30. If that meets with the agreement of the House, then we will just continue right on until they're all read a second time.

**BILL NO. 6 - AN ACT TO AMEND THE EMPLOYMENT STANDARDS ACT
(OVERTIME RATE OF WAGES)**

MRS. PRICE: presented Bill (No. 6), An Act to amend The Employment Standards Act (Overtime Rate of Wages), for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, I would now like to introduce a bill to amend The Employment Standards Act. As you know, at the last session of the Legislature this Act was amended to make overtime work voluntary and to increase the minimum overtime rate from one and a half to one and three quarters times the regular rate of pay. The concept of fringe benefits was also introduced and tied into the overtime rate. This provision relating to the minimum overtime rate was to take effect on December 1st of this year. The bill that is now before us proposes to revert back to the traditionally accepted time and one half minimum overtime rate and to eliminate the concept of fringe benefits as it was to be related to the overtime rate.

Higher overtime rates can be negotiated through collective bargaining or through individual agreement between employers and employees. This we believe to be a more appropriate forum for his matter. The overtime rate provided for in the Act is a labour standard and as such is a minimum rate which should follow and not lead developments in collective bargaining.

We are proposing these changes because it was and is evident that at no time prior to its introduction in the House was the question of an increased premium for overtime a major issue of concern to employers or organized labour generally. It is a provision that we believe is contrary to the best interests of the people of Manitoba.

Mr. Speaker, in my opinion, one of the best approaches to developing public policy is to invite proposals and solicit opinions from the parties directly involved with the possible consequences of that policy. With respect to the time and three quarters provision this was never done. It was not asked for by employees; it was not asked for by organized labour; and it certainly was not asked for by employers. The fact that it is not a major concern of employees or employers is evident in view of the fact that not one jurisdiction in Canada or the United States has enacted legislation of this kind. In fact, the closest that any jurisdiction comes to this kind of legislation is in British Columbia where there is double time for hours after 11 hours a day or a 48 hour work week.

Certainly at the committee stage of the legislation process, some very convincing arguments were presented as to why the one and three quarters provision should not be adopted. Also, in the Legislature itself at the last session, the opposition party of the day raised some very real and legitimate concerns and made a very convincing case against adopting the overtime provision. These concerns and arguments, however, were simply ignored and not acted upon by the government in power at that time. The present government, however, is not ignoring these concerns as is evidenced by the bill before you.

As I mentioned earlier, we believe that the time and three quarters provision would not have been in the best interests of the people of this province. First, it could have meant less total income for employees. It is not unusual for employees to want to work overtime occasionally to earn a little extra money. Many now do so quite happily. But if the time and three quarters is allowed to become law, employers might be more reluctant to request their employees to work overtime.

Secondly, it could have meant higher prices for consumers and taxpayers. Employers who were faced with the need to work their employees overtime occasionally because of the nature of their operations, or uncontrollable events, would face higher costs which would be passed on to the consumer or the taxpayer. The City of Winnipeg snow removal operations are an example that would fall into this category.

Third, it could result in putting some Manitoba employers in an uncompetitive or less competitive position by increasing their costs and forcing them to increase their prices. These consequences are, in our view, undesirable and it is for this reason that we are proposing to eliminate the source of these possible consequences, the time and three quarters provision.

Some people contend that there would be no adverse effects if employers simply chose not to work their employees overtime. This implies that employers deliberately choose to have their employees work overtime. Evidence suggests however that this is not the case. Overtime is usually worked out of necessity in certain industries and operations and cope with unexpected needs and uncontrollable events.

The proposition that a higher overtime rate will create additional employment cannot be sustained. Most statistics and experience have shown that overtime even at a rate of time and one half is still more expensive than the hiring of additional employees. Overtime is necessary in our current industrial climate. Any attempt to eliminate it would have an adverse effect on our productivity. If overtime was eliminated, the only employment created would be of a part time and unstable nature which would be unacceptable to employers and would also be unacceptable to employees because of the psychological effects it would have on them.

In these situations I can see no justification for imposing higher costs on employers through a higher minimum overtime rate. They are costs that may simply be passed on to consumers and taxpayers and at the same time they are costs that could adversely affect the competitive position of some employers. Mr. Speaker, I would therefore recommend that the House support the

amendments in this bill. Thank you.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I wonder if the Minister or the House Leader could advise at this time as to which committee it is intended that this bill will be referred to.

MR. JORGENSEN: Mr. Speaker, I believe it is the intention of the government to refer all of these bills to Law Amendments.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: A further question for clarification, Mr. Speaker. I wonder if the Minister can advise me for all of the cogent reasons that she presented in her address, why she is not reducing overtime to time and one quarter. —(Interjection)— Mr. Speaker, I heard the Minister's reasons for reducing it to time and a half and it seems to me that all of those reasons would impel her to reduce it to time. . . .

MR. SPEAKER: Order please. If the Minister chooses to reply I will recognize the Minister of Labour. The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, I believe that across the country time and one half is acceptable to all the other provinces and across the line too, so I think it should be acceptable here.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Yes, another question to the honourable member. Indicating that it is one and a half in all the other provinces, wouldn't it be a boost to Manitoba and create a tremendous climate for industry, if we reduced it in Manitoba to time and a quarter and led the way?

MR. SPEAKER: The Honourable Member for Point Douglas.

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

MOTION presented and carried.

MR. SPEAKER: The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 2:30 p.m. Monday afternoon.