

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 p.m., Monday, May 10, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 17 students Grade 6 standing of the Victoria Albert School. These students are under the direction of Mr. Dobbin. This school is located in the constituency of the Honourable Member for Winnipeg Centre, the Minister of Corrections. On behalf of the honourable members I welcome you here this afternoon.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, in order to commence the further movement of bills that have been adopted at second reading I would like to schedule Law Amendments Committee to meet on Thursday at 10; and also Agricultural Committee to meet on Thursday at 10. This, Mr. Speaker, means that there will have to be a division of people amongst committees. That could be solved if we have the briefs presented in the same room or we could just have our personnel divided into the two rooms.

I would suggest that we count on meeting in two rooms, the Law Amendments Committee in Room 254 and the Agricultural Committee in the other committee Room 200. There are four bills for the Agricultural Committee and about approximately twenty now at Law Amendments Committee.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Attorney-General.

INTRODUCTION OF BILLS

HON. HOWARD PAWLEY (Attorney-General)(Selkirk) introduced Bill 67, an Act to Amend the Municipal Assessment Act and Bill 68, The Nuisance Act.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate and Internal Services.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne) introduced Bill 70, an Act to Amend the Mortgage Brokers and Mortgage Dealers Act.

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

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MR. DONALD CRAIK (Leader of the Official Opposition)(Riel): Mr. Speaker, I direct a question to the First Minister, with regard to an apparent statement by himself that the Rent Control Legislation would be withdrawn in application at the same time that the government may withdraw from the Federal Anti-Inflation Program. Could he confirm to the House that this is now a fixed government policy that this move be made.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, there was never any question about that, that the matter of rent control was tied in with the matter of the anti-inflation guidelines in Canada. This is a necessary part of that program and our commitment is with respect to the period of that program.

MR. CRAIK: Well Mr. Speaker, I wonder if I could ask the First Minister why the government voted down an amendment to that Act that would have made this requirement . . .

MR. SPEAKER: Order please. The question is argumentative.

MR. CRAIK: . . . of the legislation.

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MR. SCHREYER: Mr. Speaker, I am not aware of the amendment per se, my colleague advises me that the amendment was perhaps deficient in other respects as well. But in any case, because we are announcing something as a matter of intent in policy, it does not follow that therefore somebody must inscribe it in law. I am repeating however, that the introduction of rent controls in Canada is intimately related to the Anti-Inflation Program.

MR. CRAIK: Mr. Speaker, I wonder if the First Minister can indicate as a result of his recent discussions with other provincial heads and the Federal people as well, is there some general agreement, or not agreement but understanding or feeling that the Anti-Inflation Program will begin to phase out in the period of months, which he has also been reported to indicate.

MR. SCHREYER: Mr. Speaker, there is obviously some exchange of opinion on that matter and indeed such exchange of opinion did take place last week. It is necessarily however still very much hypothetical and contingent on events, and I believe that any statement I've made in that regard has been couched in those same terms. I am not in a position to guarantee that the program will be extended or not extended. The probability however at this point in time is that there is diminishing enthusiasm for its continuation. That seems to be about as well as I can summarize it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable the First Minister. I wonder if he can advise: has the Province of Manitoba the right circumvent the federal consumer laws re the double pricing of liquor in this province?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that is certainly asking for a legal opinion. I could only offer to my honourable friend the fact that there have been changes in liquor price and liquor taxation in other jurisdictions since the 1st of April of this year, or since the first of the calendar year and that therefore there must be precedent.

MR. MCKENZIE: I wonder, Mr. Speaker, if the Honourable First Minister can advise the House: who was the one that authorized the increases of liquor prices immediately after his Budget Address in the proceeding date?

MR. SCHREYER: Mr. Speaker, whatever was announced here would constitute the authorization; anything beyond that would be a matter of Liquor Commission policy as determined by the Board of that agency.

MR. MCKENZIE: A final question, Mr. Speaker. I wonder if the First Minister would advise us: is there any way that those who've been double charged or overcharged for their purchase of liquor can be repaid for the over-pricing that they were charged?

MR. SCHREYER: Mr. Speaker, I am not aware of any double charging. I am aware of some increase of 30 or 35 cents. I repeat however that there may be some fine legal point in this that escapes me. I am only saying to the honourable member that since the 1st of January, 1976, there are at least four, possibly five, other provincial jurisdictions that have altered liquor prices.

MR. MCKENZIE: Mr. Speaker, I have a question to the Minister of Consumer Affairs. I wonder if the Minister has done anything about the present fiasco regarding the escalating of liquor and the increased prices which are now public in this province, and if he's had the matter under study.

MR. SPEAKER: The Honourable First Minister. Order please.

MR. SCHREYER: Mr. Speaker, perhaps it should be pointed out in further response to my honourable friend that since we don't acknowledge that there was any fiasco, I imagine that the question simply drops there.

MR. MCKENZIE: Again, another question to the Minister of Consumer Affairs. I wonder is he prepared or the department prepared to study and find out who caused the double pricing of liquor in this province after the Premier's Budget debate.

MR. SCHREYER: Mr. Speaker, I had just indicated to my honourable friend there is no double pricing. There is an increase of 35 cents in the example I saw; were it double priced, it would be an increase not of 35 cents but \$3.50. Until my honourable

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(MR. SCHREYER cont'd). . . . friend gets his questions right, they don't deserve to be answered. There's quite a difference in 35 cents and \$3.50.

MR. SPEAKER: Order please. The Honourable Member for Roblin.

MR. MCKENZIE: To the Minister and the government. Let's call it double labelling then, to be more correct.

MR. SPEAKER: Order please, order please. The Honourable First Minister.

MR. SCHREYER: With respect to double labelling, Mr. Speaker, double labelling as such is I suppose by definition every time that a province alters the price of liquor there must be some change in the labels, and I imagine that goes on in general merchandise stores as well.

MR. MCKENZIE: A question, Mr. Speaker, to the First Minister, then would he admit to a two-price system for liquor in this province?

MR. SCHREYER: No, Mr. Speaker, no different than the other four or five provinces in Canada that have made changes. I might add, Sir. . .

MR. SPEAKER: Order please, order please.

MR. SCHREYER: . . . I am quite prepared if my honourable friend wants some study made of the matter to have such study incorporate those years in which changes were made in liquor price and/or liquor tax, all the way back during his incumbency here, which would include the 1960's. If he would like that to be done then we could have it done.

MR. SPEAKER: Order please, order please. Order please. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like to direct my question to the Premier in his capacity as Minister responsible for Manitoba Hydro. Would the Minister make public the Task Force Report that was done in '72 and/or '73 with respect to possible acceleration of generation stations, the building of the same on the Nelson River.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, as far as I'm concerned I see no problem in making public a Task Force Report that has in certain respect been made public already, but in doing so, Mr. Speaker, I would want to go through the usual courtesy of consulting with the Board of Manitoba Hydro, and also I would at the same time caution my honourable friend that the major premise of that Task Force Report is academic in that there has been no proceeding along the lines of acceleration such as was hypothesized in the report in the first place.

MR. G. JOHNSTON: I thank the First Minister for his attempt to provide the information. Could he also provide the House a copy of the so-called Kierans Report or comments, which commented on that Hydro Task Force Report, and also gives us a rough estimate of the cost of Mr. Kierans' work.

MR. SCHREYER: Yes, Mr. Speaker, with respect to the second part of the question I will undertake to ascertain from the records what the cost was attaching to Mr. Kierans' work in that regard. Insofar as making available of the addendum of that Task Force Report, I have already undertaken to consult on that and to reply definitely to the Honourable Member for Portage la Prairie. I have to repeat again, Sir, that the premise upon which the addendum was written is a premise which has in the event proven to be completely hypothetical. As long as that point is understood there wouldn't be any problem I shouldn't think in making it available; but if it's not understood it will cause a great deal of confusion.

MR. G. JOHNSTON: An additional question on the same subject. Mr. Speaker. Is this the Kierans' comments or report, the same report that Mr. Eliesen, the Secretary to the Cabinet at that time, concurred in?

MR. SCHREYER: Mr. Speaker, it may be that he concurred, I would have to find that out. I think it'll be fair to say that this, too, with a concurrence on something that is hypothetical is in itself hypothetical. The whole matter was predicated on the assumption of the export of 1,000 megawatts a firm, that is not in the cards, therefore the entire exercise was one of devil's advocacy at a relevant time, I admit, but events

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(MR. SCHREYER cont'd) have made it completely hypothetical.

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. Then does the Premier take or do as a matter of policy hire at public expense a devil's advocate for every problem that he finds besetting the government.

MR. SCHREYER: Well, Mr. Speaker, if we did not we would stand accused of not having sufficient cross-questioning and ventilation of major policy strategents. It is, I would suggest to my honourable friend, a matter of routine procedure that when a proposition of major import is being put forward to gear up to have it analyzed and cross-examined, so to speak, by all manner of expertise, and that is what happened in this case; there was an economic analysis made of a proposal put forward by Systems Planners and Systems Engineers. In the event, however, I have to repeat, that in any case the major premise has not been proceeded with and I just want to underline that.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable Minister of Highways and relates to the section of the Trans-Canada Highway eastbound between Brandon and Douglas that was opened last fall. Is it the intention of the Minister and his department to undertake some remedial action to the surface of the eastbound lane of the Trans-Canada Highway in that section this year?

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways)(Dauphin): Well, Mr. Speaker, I really cannot give the answer to the honourable member, so I think I'd better take that question as notice and look into it so I can give the proper answer to the member.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): I'd like to direct this question to the Minister of Tourism, Mr. Speaker. I understand they're going to have a project in the Bakers Narrows in the Flin Flon area similar to the one at Camp Norton. Could you indicate to the House how many log buildings, what's their purpose, and so on?

MR. SPEAKER: Under his Estimates he'll have ample opportunity. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I direct a further question to the First Minister with regard to the questions directed to him on Hydro matters. Has it not raised some great concern in the eyes of the government to now see the Liberal Party adopt a position that the Conservative Party has been maintaining for the last six years on the Hydro. . .

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if that were precisely correct I would indeed be intrigued. It seems to be partly correct but what complicates it further is that at least the Conservative group is consistent in the sense that the Liberal questions are based on the premise that the Churchill River Diversion should have been avoided. That has been their position. My understanding is that it has never been the Conservative position, and that remains one significant difference. --(Interjection)--

MR. CRAIK: Mr. Speaker, I wonder - a point of clarification. There was a question asked regarding the Kierans' assessment of the Task Force work. Could I ask whether his project or his work was done for the government or was it done for Manitoba Hydro?

MR. SCHREYER: Mr. Speaker, precisely speaking it was done for the Planning Secretariat of the Province and the Task Force was a joint Task Force, comprised of representatives from Hydro and from the Department of Finance and the Planning Secretariat.

MR. CRAIK: Mr. Speaker, I wonder in view of the fact that the Kierans' assessment was - or whatever the proper terminology - was done for government, whether this might relieve the responsibility of the government to have it cleared by Hydro first before providing it to the Legislature.

MR. SCHREYER: Well, Mr. Speaker, I said I would do this as a matter of courtesy, which I propose to do.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if we would now proceed with the Orders of the Day. The adjourned debates on second reading in the order in which they appear on the Order Paper.

BILL NO. 37 - THE CORPORATIONS ACT

MR. SPEAKER: Bill 37. Proposed by the Honourable Minister of Consumer, Corporate and Internal Services. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Thank you, Mr. Speaker. In looking at this particular bill, Mr. Speaker, the thought occurred to me that when, if, and how, I ever have responsibility of presenting a bill the ideal technique is to make sure that it's over 200 pages long to almost guarantee the inability on anyone to make an effective and accurate comment on it in the short period of time that we've had available. But it is a very big mouthful to swallow at any one time. And particularly, Mr. Speaker, when you consider the important implications that this bill has, that the corporate vehicle has been since, I suppose by tracing its heritage back to about the 1880s - 1890s, it probably has been the most important discovery next to the wheel in terms of generating modern industrial economy, and the requirement to update it and redraft it and revise it is one that is a major responsibility of government and one that I am pleased to see that this government is prepared to undertake.

In looking at the bill and trying to get some commentary on it, Mr. Speaker, it was obvious that this bill has been the beneficiary of the previous generations of reform that have gone on, beginning in the past periods, and I would think that it would only be a proper acknowledgement to say that the major intervention undertaken in 1969-70 by the then new Minister of Consumer and Corporate Affairs, by the name of John Turner, when I was working as his executive assistant, I can recall sitting in on some of the original meetings that Robert Dickerson, -- and his committee were brought together to first start the re-examination of the Company's Act at that point on the federal level. And being intrigued at that time at the way in which the Federal Government was attempting to go about the redrafting of the major business legislation of the country. And I think it's important to note Mr. Speaker, that at that time there was a very elaborate and very specific set of procedures established for a full consultation; there was a drafting committee headed up by Robert Dickerson, as well there was two groups of lawyers and accountants. Once they were able to come up with a draft, it was then sent to a number of trade associations, the different Bar Associations across the country for comment. A draft bill was then proposed on the understanding it would just be done for first reading. Then once the first reading of the original draft was put forward, there was then another full year of commentary and committee hearings in the Federal House, and it took in fact Mr. Speaker, about four long years for the full process of dialogue and discussion and consultation to take place in order to hammer out the Federal Act upon which this one is based.

So one of the first questions I would have, Mr. Speaker, and it was one I attempted to discern in the period of time when the bill was introduced until now, was to what degree the -- we had gone through a similar period of very expensive consultation with the different business and legal organizations in the province to determine whether this bill was in fact consonant with our interest and one with which they agreed. And I think it's again fair to say that the government has been more than willing to work with the different trades, both the Law Society and with its own committee in terms of getting a reaction and feedback on this bill. It still disturbs me in part, Mr. Speaker; I guess I just have a basic hesitation about taking a bill of such importance and having it passed through in a matter of a couple of weeks and going to a committee and passing through without having a chance to fully absorb all the implications for myself. But in this we I suppose have to take a certain act of faith and presume that not only is the government doing as it should but also that the private consultants and the different private associations, and the legal profession and the business world has also made their own estimate

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(MR. AXWORTHY cont'd)of the worth of the bill, and certainly I would say, Mr. Speaker, that their estimate is that it's a highly worthy bill and one that corrects and deals with many of the issues that have been bothering people. So Mr. Speaker, I merely wanted to confine my own remarks not in terms of the specific technical aspects of the bill but in some cases to what is in it and not in it from a political and social point of view.

And the one thing which I find most disturbing about the bill and where I think that it was a sheer political decision and . . . was the elimination of the requirement for the majority of directors to be Canadian, which was part and parcel of the bills that's gone on before, and strangely enough by some curious quirk, or "quork" I guess as they would say, this government, a New Democratic Party Government, a party that has plighted its troth for the past 20 years, as I can understand it, on the basis of the requirement to get established a stronger Canadian control of its own economy, that this government or this party is the one government which seems to take a step backwards in this vital area. And if the intent of the bill was to provide for a degree of uniformity with the Canadian Business Corporation Act and with the Ontario Act, and so on, that this particular omission I think could be the source of not only legal problems for the Province of Manitoba but also I think in a way betrays a certain commitment and trust that has eventually evolved at least for that political party and my own. I couldn't speak for the Conservatives because I would never want to speak for them, but I would say that certainly in terms of discussions that I have been party to and listened to, that in this particular area there has been a growing recognition of the need in the Canadian economy to establish some protections. And in this case we're not alone, I think almost every organized industrial country has established some very fundamental regulations concerning the operation of foreign companies on their own soil, not to the point where it would be an inhibition to investment or be one that is . . . penalties, but one that would at least ensure that in the operation of a corporation on Canadian soil that the perspective and point of view of Canadians would at least be guaranteed as being expressed in the board room when it takes place.

Now under this Act, Mr. Speaker, there is no requirement whatsoever for that particular requirement to hold true. There is simply no requirement that a company incorporated under this bill in the Province of Manitoba would in any way shape or form have to involve itself other than on the basis of pure self-interest in the economic or social well being of this province or of this country, and that in effect the kind of decisions that would be taken would be purely and simply in the interest of the corporation and yet I think implicit in the philosophy of this Act and implicit in the philosophy of the state granting the corporations the powers that it grants, is the idea that there is a return obligation, that for the sake of a corporation acquiring these kinds of rights and powers there is a return obligation, and one of those obligations in a sense is to be a good citizen, that we are treating the corporation now as an individual. Just as we impose certain obligations upon citizens of this country we have right to impose certain obligations upon corporations. And one of those would be to ensure that in the operation of that corporation that there would be the ability to have an understanding, feeling, a set of attitudes, a commitment if you like, about what is happening in this country in terms of its total scheme and not be purely based upon the criteria interests of the particular corporation.

And I would say, Mr. Speaker, that it goes beyond that. In looking at the different reports and studies that have been conducted, particularly the Grey Report that was commissioned by the Federal Government in 1972, they make a pretty good case, that first there is a certain protection for companies operating in Canada, foreign owned companies, if they have the requirement for Canadian Boards of Directors as a way of offsetting, for example, American laws such as the Trading with the Enemy Act and other laws, or the American Anti-Trust Act, which would attempt to impose certain restrictions upon their own nationals operating in a foreign country. And there have been several examples, particularly of late, where we have noticed that American law, or other foreign law, can have an inhibiting preventative restriction on the behaviour of companies that are subsidiaries of large American firms, if in fact there is not some Canadian nationals; and

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(MR. AXWORTHY cont'd)one of the protections is, is that if an American national, for example, who is sitting in a Canadian subsidiary says, look, I had to go along because in effect the majority of the board were Canadians and therefore I didn't have the voting power, that in a sense is a protection against his interest in terms of the Trading with the Enemy Act or the Anti-Trust Laws of the United States.

So it would seem to me, Mr. Speaker, that there is a good reason. I couldn't predict the number of occasions where there might be a case where there would be a conflict of interest between American and Canadian law or foreign law and our own law, but the possibility is there. If there have been possibilities under the operation of other companies in Canada it would seem to me that that's why the Federal Government in re-drafting its own Corporation Act put that requirement in, and it would seem to make some sense to include it in our own.

Going beyond that, Mr. Speaker, I just think it makes good sense from the point of view of the operation of the company in the Province of Manitoba, that we have seen, particularly in the resource field where a number of decisions being made by large companies, particularly the multi-national companies and their subsidiaries, are not based upon Canadian interests. I guess the example is in the oil and natural gas industry where reports coming from boards and so on are sometimes hiked, sometimes omit certain critical factors, so as to provide a benefit for the company in terms of, let's say, selling natural gas or oil to the United States, but which are not and have not been an interest to this country. And again it would seem to me that a requirement to have a majority of Canadian nationals on the board of directors is a further protection against examples such as that.

A third concern I have in relation to this particular omission, Mr. Speaker, has to do with what it might do to the business arrangements in Manitoba itself, if we become the odd man out, if we become the province which does not put this requirement in, and it could be that we'd become like a Liechtenstein or a Monaco or Bahamas, where every company which is trying to avoid the strictures of other Acts elsewhere decided to locate in Manitoba.

Now the first reaction we'd say, hey well that's great, that's great for business, we get all these companies. But frankly, Mr. Speaker, if they're trying to evade the law elsewhere then I'd be a little bit suspicious as to what their real purpose and interests are. And that if the uniformity of Corporations Act across Canada include the provision for majority directorships for Canadian nationals - and we're the only province that does that - then it sets us up in a kind of an odd position, and I guess maybe an analogy doesn't hold true, but I was intrigued by the proposal by the Mayor and others, to set up Manitoba as the gambling capital of Canada, that's one way of getting some revenue, we'd change the laws against the Criminal Code or something.

But I don't think that Manitoba has to resort to those kinds of funny games and I would think in part, Mr. Speaker, this would be one of those odd little games. So unless there is a pretty good explanation or rationale, and I suppose it's got to be based, that kind of decision would have to be a Cabinet decision, and I don't think it would be in the area of the technical advisers of this bill that this particular proposal would be omitted. It obviously has had to be a very fundamental decision in Cabinet, and I have noticed in the past, Mr. Speaker, in fact that when it comes to this question of foreign ownership this particular government is an odd one, a curious one, that when we debated the question of ownership of land and expressed the concern that we have about the large purchases of real estate in Manitoba by foreign owned companies, individuals in this Cabinet have been most hostile to any suggestion that some regulation should be established in that area. And it would seem to me that they are carrying this particular feeling through, and I guess every political party is allowed to disagree with the basic train of thought that it's own national party takes, but this certainly, Mr. Speaker, is a fundamental disagreement with the position taken by the national New Democratic Party. I would think that they would be both somewhat dismayed and surprised at the actions of one of their provincial governments representing their party at this particular omission.

So, Mr. Speaker, that would be one of the real questions I would want to raise

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(MR. AXWORTHY cont'd)with the bill. In fact I would really suggest that this particular area be amended when we come to the Law Amendments Act. I don't see any real reason for it being omitted, and I would hope the government, unless it's got an awfully good reason, would reconsider this particular aspect of the Corporations Act in Bill 37.

Mr. Speaker, another area of - I don't know if it would be concern, but let me just say question I would have, would be in the area of the non-profit corporations which in this bill really carries through almost exactly the same provisions as were under the old Act. Now, Mr. Speaker, in a large part for most of the history, I guess, of corporations they've been primarily used for private profit-seeking motives, and yet I think it's fair to say that in the last decade or so that there has been a slow but significant development in what is called the third sector area of social and economic activity, which means that it's private corporations operating on a non-profit basis. Certainly one of the important initiatives in the housing field is by non-profit corporation; that as a result or consequence of the federal changes to the National Housing Act in 1973 there have been, I guess, across Canada close to 300 or 400 non-profit companies set up to work in the field where they can provide housing as private entrepreneurs but not have the requirement to have dividends and profit returns. And they were set up by a variety of community organizations, church organizations, neighborhood groups, trade unions, business associations, those that feel they have a responsibility, for example, to provide in the housing field but don't necessarily have to do it for a profit motive.

And one of the things I was hoping for in this particular bill is that the recognition of the changed role, the altered role of the non-profit sector would have been taken into account; that we would have looked much more carefully at this new economic factor in our society, one that I would predict would become increasingly more important and most significant. It has some very different operational behaviours than does a private profit-making corporation, in terms of liability and accountability of directors and of shareholders; in terms of the establishment of these community development corporations which are established at the neighborhood level in terms of voting rights, rights of membership. It would have seemed to me, Mr. Speaker, without going into my own elaboration of the kinds of specific rights and obligations that should have been applied to the non-profit corporations, that it would have been very worthwhile in this province as we undertook this major reorganization of our Corporations Act to have spent a little more time and attention of looking at the role and behaviour of non-profits, the third sector operation, to determine that there is fair protection for them and fair protection for the community, and simply by transferring really the old provisions to this new Act I don't think is adequate enough. I don't believe that this is an area where there has been careful enough attention for expiration on the role of community or non-profit corporations. And as a result, Mr. Speaker, it would seem almost that this should be perhaps an area the Minister might consider undertaking a special review or assessment because of the importance that these will play, as I say, in the fields like housing, fields of economic development in poorer areas. I can give several examples of companies, non-profit companies that I've been working with in this country and the United States over the past two or three years where they have undertaken very important interventions to provide jobs, to provide better housing, to provide economic activity, to undertake financial services and they become a different kind of actor in the world. But as a result of that questions, very technical legal questions, have not been resolved and it would seem to me that that would have been a third area or an additional area where this particular bill could have made an improvement upon the existing law and in fact didn't.

A third area of questioning which I would have, Mr. Speaker, really has to do with I guess maybe a potential issue, one that we haven't really faced up in this province, but is now taking place in British Columbia and in Quebec, and that is the question of the movement towards employee participation on the boards of directors and in the management of companies, that I think, as members of the House would probably be aware, that certain European countries in the European common market have adopted this as a way of reorganizing their corporate structures, of bringing workers, in effect, in to become

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(MR. AXWORTHY cont'd)part of management, take on certain responsibilities, join boards of directors. In the report in the Financial Post of about a month ago the senior editor of the Financial Post came back from a trip to Europe and pointed out how in those countries, particularly West Germany, Denmark and others, which had undertaken this particular form of industrial organization, they've had far less industrial strife, far higher results and returns in the way of productivity, and in some cases a much better atmosphere of co-operation between business and government and trade unions and workers than we have in our system which is almost totally an adversary system. And I would suspect, Mr. Speaker, as we go through the puzzling time of controls, as short as they may be according to the predictions of the Premier, where we're trying to look for ways of reorganizing our economy, finding new alternatives to the traditional structures of industrial relations and corporate organizations, that those particular aspects might have been examined and at least explained; and that one of the concerns I again would have is, to what degree - and I'm simply raising this question for the Minister to respond to - to what degree is it possible under this new Corporations Act for that kind of economic reorganization or innovation to take place? That if, in fact, in the Province of Manitoba as they're now doing in British Columbia because I just came back from a trip to there and was interested in finding out that several resource companies, particularly lumber mills, have now adopted that particular practice in British Columbia, working with some real success, like some of the few companies which don't get themselves involved in the kind of fractious labour disputes that the rest of the lumber industry has in British Columbia, that it is an area I would again predict a very important social and economic change and one in which this bill, I'm not so sure, anticipates.

So in a sense what I guess I'm saying, Mr. Speaker, I think the bill represents a good expression of the existing state of the art, that it does properly reform and revise and reorganize the law in terms of present practices, but does not do much in terms of anticipating or even providing a stimulant or incentive for newer needed practices; that in effect it really represents as they used to say about generals that they always fight the last war, and use the same strategy and tactics for the battle that went on five years ago. I think this bill really is of that kind that it represents probably the best thinking in terms of the state of the art of the modern corporation up until this point or maybe a few years before, but doesn't really have perhaps the flexibility or range of requirements that would be necessary in order to deal with portents and signs of change that are already beginning to appear. So in effect we may have to go back and do some reorganization and reform in a very short period of time to take into account, because I think one of the things that we have to recognize is that in the field of economics and business organization it is no longer a static business, it changes rapidly, and the changes that we are seeing going on now particularly in this period of economic reassessment are going to be quite dramatic, and I'm not so sure that the bill prepared for it.

In a more practical way, Mr. Speaker, in terms of some of the detailed aspects of the bill, that our major comment would be again, it's inability to deal with . . .that certainly the foreign ownership question is one that I find a serious and curious omission.

Secondly, in terms of dealing with non-profits and the question of employee participation in boards of directors and management, then the bill says nothing to it, and it may be that these were discussed in Cabinet, but I think the Minister should give us some explanations.

You know in terms of the actual implementation of the bill it would seem to me, Mr. Speaker, that one of the problems we might run into, and I guess I would really raise this question for the explanation of the Minister, is the issue of the continuance of the bill in terms of immediately transferring the corporations, the 24,000 business firms operating in this province, immediately becoming part of the bill itself; and it would seem to me that this will certainly make legal firms in the Province of Manitoba overjoyed because I suspect it's going to give them an awful lot of business very quickly in terms of rewriting charters and undertaking all the particular fine details and rewriting.

Now, the question I really would have --(Interjection)-- That's right. I think that if anyone sort of had been thinking of a future career then corporation law obviously has now got a built-in client for the next five or six years or seven years, whatever it

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(MR. AXWORTHY cont'd)may be. But the fact of the matter is what I'm really saying is that the Canadian Corporations Act, I believe, set a five year period and then phase it in at this stage. It seems to me that the immediate phasing in of this might create a tremendous sort of bulge in the demands upon legal firms, which I'm sure they would be glad to contemplate and handle, but it may also provide for a fair degree of confusion, unless in fact because of the extended period of prior consultation firms are already preparing for that; I can't answer that. I would hope that would be the case and I suspect some changes have already been made, but I know that some of the firms that I've talked to about this kind of action, they say that it will certainly require some fairly fundamental changes in charters and in terms of operating practices and manuals, and all the rest of it, which will provide a great bonanza for our legal friends and it may mean we may lose all the lawyers in the Manitoba Legislature if they find a practice outside which will be much more lucrative in the future. --(Interjection)-- It was in the past. But it may be that that particular area of the bill may deserve some more serious examination in terms of the implementation of it, and whether in fact it will create a confusion in the reorganization of companies to fit the requirements of the bill. Now I simply raise that as a question. It's not as a criticism. And I'm raising it because I think the Minister would have to cope with it.

Well, finally, Mr. Speaker, we would want to say that in response to the bill we would hope that as the bill goes through into Law Amendments that we would be able to receive from the Minister an assessment that has been provided for him by the different trade associations, chartered accountants, the Law society, so that we would be able to have a fuller understanding of what has taken place in terms of consultation and the assessments that they make, I think that, in effect, many of the detailed comments that we would want to make may have to be reserved for Law Amendments or Third Readings, simply on the basis that much of what is in the bill we would really need a more technical and expert opinion on. So I would hope that the Minister would be able to provide either when he closes this bill, or in terms of the Law Amendments committee, to give us an understanding of what the commentary has been. I believe, for example, there was a seminary held on Friday by the Chartered Accountants to the Chartered Accounts. It would be interesting to know what their assessment and commentary has been on this bill, and others as well, and I would assume that a full invitation has gone out to these associations to present their case, so in effect then our final request really to the government is for one of better and more information about the bill so that again we can be more fully satisfied in our own minds that when it comes to doing the job that the Minister indicated it wants to do, that the provisions of the bill fully express those objectives.

Mr. Speaker those are our comments and we would support the bill obviously on Second Reading and await its discussion in Law Amendments.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Mr. Speaker, I rise mainly from a point of view of lending support to the bill, but at the same time from a consumer's point of view, which is the area I'm concerned with, that one would wonder if the consumer would be protected under the implementation of this situation and the average person wants to feel that there would be a certain amount of protection, and I'm thinking mainly in the area where if everyone is allowed a single person corporation that the small little self-employed sub-contractor and the man who should be paid for his labour, that this is the person that is going to be protected, and so I would hope that somehow or other that the Amendments to the Bankruptcy Act will fit in with the implementation.

I am concerned also with the implementation of this because like the Member from Fort Rouge, I realize so many bills are really put through as a source of, make work or a bonanza for certain people where they have certain professional occupations. I think the immediate implementation is unfair, mainly because as I say certainly the bonanza to the legal profession, and again I realize with the implementation of Legal Aid that some lawyers have fallen on hard times but I couldn't really see why we had to hurry along with this bill in this fashion.

Again I was wondering about the delay because it seemed if this bill, as

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(MR. WILSON cont'd)the Senior Administrators in the Ministers Department indicated, and the Minister himself, that if this was really a copy of the Federal and Ontario implementation of their particular dealing with with this subject, I wonder why it took two or three years of meetings with a large group of professional people, and I think they were mainly lawyers looking at the make-up of the committee, I wonder what the reason was for the delay if they were really fitting in the federal and Ontario bill into this one. It amazes me that it would take two or three years to come forward with this bill, which if long overdue.

Basically I would look for some penalty for wrong registry if we're going to have the provisions that you have now where you pay a certain fee to check on incorporations, if they are single incorporations, that the information that you receive as a consumer should be accurate and if it is not accurate then one would question the reasons why the information isn't accurate, and if it turns out to be laxity on the part of the people who have got out of the partnership, and so on and so forth, that the consumer who felt while he was dealing with an incorporation at the same time was dealing with the individuals, and this information should be accurate.

Again the Member from Fort Rouge talked about a bonanza for the legal profession but I wondered if the legal profession could restructure their fees, since they'll no longer have to have the cost of an \$86.00 seal, and of which of course will be a cost that we would hope that they would pass on to the consumer in the form of savings.

So with those brief remarks I will close by saying that at least myself as an individual supports this bill, because certainly there was a lot of staging when it came to the make-up of the corporations and what have you, so the single person corporation is welcome. However, I do not see anywhere in my reading of it where there is a maximum, in other words, is it too much to ask that an individual shouldn't be allowed to have more than six corporations registered to his name, or the possibility of he should not be allowed to become insolvent more than three to six times. That's the type of thing that I would concern again for protection for the consumer, and I think that other than that I will be brief and allow the Minister's bill to proceed and hope that some of my concerns for the consumer are looked at and given some consideration.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move seconded by the . . .

MR. SPEAKER: Order please, order please, The Honourable Minister.

MR. TURNBULL: Yes, Mr. Speaker, I have a question for the Member for Wolseley. As he believes that the implementation of the bill perhaps is unfair if it is put through this session, would he argue then that the bill be laid over until the next session of the Legislature?

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: Mr. Speaker, if I did not make myself clear, my wonderment was why it took so many years to get here. I am suggesting that we are long overdue with this bill going through, and I wondered why it took this large group of professional people so long to put this bill before us and members opposite as well.

MR. SPEAKER: The Honourable Member for Arthur:

MR. WATT: Mr. Speaker, I beg to move seconded by the Member for Roblin, that the Debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 44. Proposed by the Honourable Minister of Labour. The Honourable member for Fort Garry. (Stand)

Bill No. 46, the same. (Stand)

BILL NO. 51 - THE RETIREMENT PLAN BENEFICIARIES ACT

Bill No. 51. Proposed by the Attorney-General. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker, we on this side have reviewed this bill; we see no clause in it that we basically have argument with; we're quite willing to let it go to Committee. So consequently that will be the remarks on it up to this point.

QUESTION put MOTION carried.

BILL NO. 52 - AN ACT TO AMEND THE REAL PROPERTY ACT

MR. SPEAKER: Bill No. 52, proposed by the Attorney-General. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. Mr. Speaker, at this particular time I find myself in a bit of a problem, and I would ask you for your permission for me to speak on Bill 52 and Bill 53 at the same time because both bills are very closely related, and so if you would--(Interjection)--I'll listen to the advice of the House Leader and ask you to turn a deaf ear to some of my comments if they don't particularly deal with the one bill. I would prefer to deal with both bills at the same time, Bill 52 and Bill 53.

Mr. Speaker, probably the opening comment that I have to make deals with the, a clause in Bill 52, which pertains to the Planning Act, and I have to ask the Attorney-General why he would want to bring in the amendments to the Real Property Act and the Registry Act, before the Planning Act has really had a chance to come into operation and see what the needs are under the Planning Act. Maybe he anticipates problems and that may be his reason for bringing in the changes to the Real Property Act at this time. But, Sir, I have to question the wisdom of government when they try and rush several things through all at the same time. As we all know the Planning Act is a very major change in the methods that will be used in this province for the division of property, for the transfer of property, for the improvements of property, and in fact the activities of the citizenry at large in any methods that they use to enhance their own personal property, and I suspect that in the next two or three years under the Planning Act we will find enumerable difficulties arising, and I think that the changes that are being proposed here in the Real Property Act and the Registry Act, may help in some of the activities that take place under the Planning Act, but at the same time, Sir, I have to express an apprehension. I don't think that changes were entirely necessary at this time: I think it would have been probably advisable to wait until we found out how the Planning Act really worked before we bring about the changes in the Real Property Act.

Now, Mr. Speaker, there are one or two things in this particular bill that do concern me to some extent, and one is where the change in the title to land occurs where a person has to probably transfer through sale or gift, or whatever means, a portion of a property which has been deeded in the Province of Manitoba. And we know that there are many pieces of property in this province that are deeded properties, by no means the majority. I would say that by far the largest majority of the property in Manitoba is probably held in the right of the Crown or if it's individuals it's held under a Torrens title system. However we find that if this bill is approved, that in effect before very long any transfer of deeded property will eventually be forced under this act into a Torrens title system. If I am wrong in that assumption I would hope that the Attorney-General will correct me and I would be quite willing to have him make those corrections right now because I feel that if that assumption is not correct, then maybe some of the comments that I have still to make may not necessarily apply. So failing any intervention by the Attorney-General at this time, I would assume that I am correct.

MR. SPEAKER: Order, please, I'm sure the Honourable Member for Birtle-Russell is aware of the Rules, and there is no way that we can allow a cross banter that he is requesting, so therefore he would make his debate and abide by the rules and the Attorney-General will reply. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Well, Mr. Chairman, I believe that the Attorney-General can on a question of clarification quite properly point out to me the errors of my ways, if that is so. However, it is not up to me to interpret the rules of the Legislature at all. But it is my suspicion, Sir, that with the advent of the Real Property Act and the changes that I expect will be occurring in the Land Titles Office with a computerization of the registry, that we will see a, certainly an expedition from a deeded property system to a Torrens title system. Sir, we have not yet in this province, found out whether the changes that are planned for the Land Titles Office will in fact be beneficial or not. The Attorney-General has assured us that he has had some concerns about the operation of the Land Titles Office and the transfers that have occurred. I myself, Sir, have on numerous occasions brought to the Attorney-General problems that have existed

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(MR. GRAHAM cont'd)in my area, due to an unnecessary time-lag, in my consideration at least, of the operation of the Land Titles Office.

I would hope that the changes that are proposed will be beneficial to the citizenry at large. I sincerely hope that the changes that are proposed here will be beneficial but, Sir, I have to at the same time express a concern, I know that there are people who maybe through ill advice, feel that one system of registration is superior to another in the titles that they hold; and I know that there are some who feel that a deeded property is the finest title that they can hold. I've heard the Minister of Mines and Natural Resources speak in this House on more than one occasion stating that a Torrens title is nothing more than a long term lease. But, Sir, we find that these changes, the changes in the operation of the Land Titles Office, the changes dealing with the division of deeded property, the operation of the Planning Act, and the changes in the Registry Act are all occurring roughly at the same time. And I'm not too sure that there may not be a great deal of confusion, misinterpretation, and probably some misunderstanding will result.

Sir, it's always been my concern and my desire that any changes in legislation that occur in this Legislature occur for the benefit of the people of the province, and if we find that legislation coming forward may tend to confuse, to lend themselves to misinterpretation and misunderstanding, I think that then we should consider a proper phasing in of various pieces of legislation rather than bringing forward several pieces in a relatively short-time span without a proper time frame for trial and approval.

I also notice, Sir, in bill 52 that we have a reference here to a change in the standard of measurement that is anticipated, occurring in the Dominion of Canada, and the reference here is to the international system of units. Sir, that is a question that is a major issue with many people right today in the international system of measurements. We have seen some apprehension on the part of the public when we changed our measurement of temperature from Fahrenheit to Celsius we have seen an increasing concern when we changed the measurement of atmospheric pressure to kilopascals. We are seeing some concern in this province when we're talking about changing our standard of - what shall we call it? linear measurements from miles to kilometers. I know that the Attorney-General, who is primarily responsible for the carrying out of the laws of this country, has various units of measurement of speed in this province, and I don't know whether he is contemplating changes in legislation there to convert our radar, for instance, from miles per hour to kilometers per hour, or perhaps I should say "kilo-meters", and at the same time I should probably refer to it as thermometers. But be that as it may, I think that the change here, while it is probably permissive, I would hope is not pushed on the people until there is a proper phasing in of the metric system. It is my feeling, Sir, that there is a growing feeling in the people of this country which is not conducive to the establishment of a metric system in this country - but that is another argument, Sir, that need not take place in this debate.

There is another section here, Sir, in Bill 52 which deals with the question of the safeholding of titles, and I just ask the Attorney-General if he has considered - when he has drafted that section, if he has considered cases which are presently before the courts, or have been handled by the courts and judgments have been handed down, but which have not been transferred as yet. I would sincerely hope that rather than the official title being supreme, I would hope that the decisions of the courts in this country are supreme, and that he would consider possibly a change in that to include not only just the safeholding of the title but also the protection of judgments which have been handed down by the courts.

Now, Mr. Speaker, I would also like to refer to the Registry Act at the same time and in doing so, I am in essence dealing with . . .

MR. SPEAKER: Order, please. When we get to the Registry Act, the honourable member may make some comment.

MR. GRAHAM: Okay, Mr. Speaker, I will desist. At this time I would like to add one or two more comments dealing with the proposed changes. I think, Sir, that the Attorney-General has basically embarked on a good course of action. We have long advocated a change in the transfer of titles, a speed up in the registration in the province,

(MR. GRAHAM cont'd) but there is one thing that has concerned me, Sir, and that has been the possibility of error in transfers, and if we're going to a computerized system, Sir, then I think that we have to deal in a very realistic way with the possibilities that could occur if error is made, because I have been told at least, and maybe it's not correct, but I have always been told that mechanical machines do not make errors, it is only the people that either punch the wrong keys or feed the wrong information, that make those errors possible. So if we are going to eventually end up with a computerized title system and transfer of property in this province, then we have to concern ourselves with the responsibility that can occur if errors exist, and in the past, Sir, we have had established in this province a special fund which would guarantee, not guarantee, but would provide a measure of compensation if errors did exist, and it seems rather premature to my way of thinking, Sir, to find out that in the past week, from that special fund we have found that roughly \$1/4 million has been transferred to the consolidated revenue, leaving only a basic minimum, which is established by law, which is left in the fund. Now, I think that it is inherent on the Attorney-General to guarantee to the public of the Province of Manitoba in every way possible an assurance that everything will be done and done properly, and if any accidental error occurs that there is a safety valve there with sufficient funds in it to cover those errors. So I would have to ask the Attorney-General why he would want to transfer roughly \$1/4 million from that fund into the consolidated revenue at this time, before the Acts have been passed, before we have had adequate scrutiny of the legislation, and before we have had an opportunity for the public to make their presentations to the Law Amendments Committee.

Those are the remarks I have to make on this bill at this time, Mr. Speaker, and I invite the contributions of other members.

MR. SPEAKER: The Honourable the Attorney-General will be closing debate. The Honourable Minister.

MR. PAWLEY: Mr. Speaker, if there are no further comments I would just briefly comment on some of the questions raised by the Honourable Member for Birtle-Russell, then deal with them in further detail during the committee stage.

In connection with Torrens title and old system title, it is true that generally speaking one form of title under the old system is as good as a title issued under the Torrens title except that under the old system title it is more likely that certain defects may show up because it is much more difficult to handle searches under the old system in that one has to pursue often through dozens of documents leading back to the issuance of the original grant to ascertain for certain that one has a clear title free of encumbrances. With the passage of time, of course, more and more property has been taken from the old system and has been transferred into the new system under the Torrens title. I suppose now in Manitoba we must be looking at 95-97 percent of the land printed under the Torrens title. I suppose ten years ago it would be more like 90 percent, so that the trend is definitely toward the Torrens title, and certainly when one must acquire mortgage funds, the mortgagees in general insist upon Torrens title in preference to old system title.

Now, insofar as the Real Property Act there is no amendment, there is no intention here to require that all transfer their land immediately into the Torrens title, but that that only be required when advantages must be obtained under the provisions of the Planning Act. For instance, in the event of a splitting of title, the subdivision of land, then if that land is old system land, then it would have to be brought in under the Torrens title in order to permit the completion of the processes that are required under the Planning Act amendments.

The honourable member raised the issue of the metric system and certainly I for one do not want to get ahead of other departments and agencies of government, whether it be municipal or provincial or federal, in switching over to the metric system, and certainly there would be no intent here to phase ourselves in ahead of developments elsewhere in the movement towards the metric system. I share some of the honourable member's concerns that true enough, particularly during this time of shortages in so many ways and the need for restraints, that we should become involved at any level of government in the switch-over from one system of measurement to another, and I question

(MR. PAWLEY cont'd) very much the timing of this entire process and whether it was basically that necessary that it be expedited.

The honourable member raised questions in connection with transfers of funds from the Assurance Fund to the Consolidated Funds, and I will be getting further information for the honourable member in this regard prior to committee, but it is responding to the fact that there has not been a heavy demand upon the Assurance Fund. There has been a decrease in the amount of moneys paid out to the extent that moneys could be safely transferred to the Consolidated Funds, but I would hope at committee stage to have further information for the honourable member in this regard.

QUESTION put MOTION carried.

BILL NO. 53 - AN ACT TO AMEND THE REGISTRY ACT

MR. SPEAKER: Bill 53. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Well, Mr. Speaker, we're getting into another bill here which is very closely associated with the one that we have just dealt with, and again I have to go back to the argument that has been before the House on the various systems of registration of title because this particular bill deals with the question in a very specific manner, and this bill states that where a subdivision of property exists that the remaining portion has to be dealt with in a specific manner or else the Registrar can refuse to register. So while we have noted, and the Attorney-General agrees, that there is a movement towards a Torrens title system in the province, we now find that under bill 53 there is a clause in there which in effect, Sir, and I submit this, in effect will almost demand that that system be applied, because the Attorney-General has readily admitted to the House that under a deeded property it is very difficult, and in fact in some cases almost impossible for a member of the legal profession to give their assurance that that title is indeed free of encumbrance, and we now find that there is going to be a section under the Registry Act which will give the Registrar the right to refuse to register any subdivision unless there is, I would suggest, an absolute clarity and the assurance that everything is perfectly clear and legal. So I suggest to you, Sir, that under this bill we will see the expedition of the transfer from deeded property to a Torrens title system.

But now if I may say, Sir, I would like to go back to the earlier part of the bill, which I think everyone agrees with, and that is the opportunity that is going to be provided for the proper copying of torn and tattered pages of a registry. It's an honest effort to bring into a clear and concise or easily legible form some of the records that exist, and I don't think that there is anyone in the House that will have any difficulty in approving that change, but I say to you again, Sir, that under the changes that are proposed here for the subdivision, when you consider the Planning Act and all the ramifications of that, that we will by passing this bill expedite the disappearance of deeded property in this province and the change to a Torrens title system.

MR. SPEAKER: It's the pleasure of the House to adopt the motion. Agreed? So ordered. Bill 56. The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): I've got a few remarks I thought I would like to make before we move on with this bill. I know that this here Planning Act and the Registration Act and the Real Property Act is really confusing to most rural people who are dealing with titles, and I know that everybody wants Torrens title nowadays when they're borrowing against it. There are many complications and I hope now when we're dealing with these Acts that we can come up with something a little bit simpler and something that can be done a little bit quicker. Because what's been going on in Manitoba this last while, it's been so complicated, titles have been held up between the lawyers and the Registration Office for too long, up to six months and sometimes longer in certain cases. I know they have to be thorough and examine that properly but we find out that people think their deal is going through quickly, that money is held in trust and is put in a fund probably where it goes to Legal Aid; that's not where it's supposed to be put, sometimes ends up in there. It should be put in the Trust Fund with the interest going to the proper party. But in many cases the lawyers think that it's a

(MR. HENDERSON cont'd) simple matter, that it won't take long, and between the trouble you have with the Registration Office and getting through with the title, there's a long delay which with the high prices of houses and land these days really amounts to a lot of money.

We just take a lawyer with a reasonable practice that's handling maybe ten transactions that's on his books at all times, and these transactions are running in the neighborhood from 50 to 100,000 each. And you figure that each of these, if there's a revolving fund going on in there all the time, that's bearing interest either to Legal Aid or else to - it should be going to the people, but in many cases it isn't because the lawyer himself even thinks it goes through. So even in this Registration Act, I think there should be even in there some clauses where a lawyer is even obliged to use a title in a certain time provided that there is no encumbrances on it. Because I remember on one occasion where a lawyer took on a deal and went on a holiday down in the States and money was held in trust. We have things like this going on all the time and it's costing the average citizen of this province too much. I just hope that when you're going over this Act that maybe you could consider some of these things and put some of them in.

QUESTION put MOTION carried.

MR. SPEAKER: Bill 58. The Honourable Member . . .

MR. WARNER H. JORGENSEN (Morris): Stand, Mr. Speaker.

MR. SPEAKER: Bill 60. The Honourable Member for Roblin.

MR. McKENZIE: Stand, Mr. Speaker.

MR. JORGENSEN: I said, Mr. Speaker, that the remainder of the bill was to stand.

MR. SPEAKER: The remainder? Very well. The Honourable Minister of Education wish to introduce his Bill 54?

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Stand, Mr. Speaker.

MR. SPEAKER: Bill 56. The Honourable Attorney-General.

MR. PAWLEY: Stand, Mr. Speaker.

MR. SPEAKER: Very well.

MR. PAWLEY: Mr. Speaker, if I could move, seconded by the Honourable Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY - DEPARTMENT OF EDUCATION

MR. CHAIRMAN: I would refer honourable gentlemen to Page 19 of their Estimates Book. We were on Resolution 49(b)(1), Native Education Branch Salaries--pass; Other Expenditures--pass; (c) Teacher Certification and Records and General Education Development. Salaries (1)--pass; The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I know that in the past there have been records kept for teachers and that there has been a central repository for such information. I am not sure that this central repository of teacher records is being maintained at the present time. I would think there is some value to that kind of record-keeping, particularly for various divisions who may be interested in the qualifications of teachers who are not employed within their own divisions and they may wish to have some opportunity to review the experience and the qualifications of teachers who may have expressed interest in employment in some division other than the one in which they are now working. So my question really to the Minister is; what kind of record-keeping is done in a central sort of way with respect to the teachers that are employed within the province?

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, I will have to take that question as notice and try to provide the honourable member more complete information as soon as I can obtain it.

I do believe that the extent of the record-keeping over the past number of years has reduced considerably since - probably going back to the days when the matter of granting permanent certification to teachers was passed on to the superintendents from the school inspectors or field officers which occurred a number of years ago with the formation of the unitary divisions.

I know that there still is some system of record-keeping. If the honourable member wishes to know in general terms what is being recorded, I'll be able to provide the honourable member with that information, I would like to point out though to the honourable member that the record-keeping is somewhat of a two-edged sword, in fact, oh within the past few weeks, I've had occasion to ask for records on a teacher who was having some difficulty in getting her classification established for grant and salary purposes. The office sent me her records going back to her first days of teaching which were way back in the mid 30s, and I must admit that I had information recorded there that I would question the value of and the desirability of continuing to retain that type of information on a teacher's file.

For example, much of it was very subjective and hence I'm not all that convinced that it's of any value today. A school inspector, in this particular instance, was the same school inspector on both occasions, he dropped into the school one year and rated the teacher's personal appearance as "C" on a "A" to "E" scale; "A" was the highest rating and "E" the lowest and he rated appearance as "C". The following year, in fact I think it was within a period of less than a year, about six months, he had occasion to visit the school again and rated her personal appearance as "B". What happened to her that prompted him to increase the rating that he assigned to her personal appearance, I don't know. Then of course, there are also many other, as I've indicated, subjective comments and assessments written into the records that I really do wonder whether they should be retained. I'm presently having my office review the general content of teacher records that we have on file and bring recommendations back to me as to their disposition. But it is my desire to retain only that which is absolutely pertinent and nothing more. In fact I would think, and this is merely a personal impression of mine, it's quite conceivable that it may be that some of the material which has been accumulated over the years and still contained in our files may be in contravention to the Human Rights Act, I don't know. But that is one of the questions that I raised in bringing this matter to the attention of my staff, and I'm awaiting its advice to me on it.

MR. MCGILL: Mr. Chairman, the question really was: Is there a central repository, or what records are being maintained by the divisions? And the Minister is apparently going to get that information for me.

Mr. Chairman, he mentioned some reports by inspectors. Is it not a fact that

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(MR. MCGILL cont'd) inspectors have not reported on teacher's qualifications for about four years now? And any reporting on teachers qualifications by the inspectors has been done for the independent schools and not for the public school system over the past four years. So that any reports he might have on teachers and their qualifications would likely have been done by the superintendents. So, really I am very interested to know how the procedure is working out if all of those records are now maintained at a divisional level, and whether or not it is the kind of information that would be accessible to other divisions without having to perhaps embarrass someone who might be looking for employment elsewhere in the whole Manitoba school division system.

MR. HANUSCHAK: Again I would have to check. I do not believe that the information which the Department of Education has collected over the years on each teacher within the employ of the public school system has been generally accessible to anyone. I do know that the teacher had access to the information that was accumulated on him or herself. But this will be part of the answer that I want to produce for the honourable member as soon as I can possibly get it, this afternoon or evening.

MR. MCGILL: Mr. Chairman, then the Minister might also enquire about the policy on student records unless he happens to be able to give that information now. What kind of students records are now being kept and where are they kept and in what form?

MR. HANUSCHAK: Insofar as student records are concerned, the records as supplied to us by the school divisions indicating the courses, the subjects that the students have completed successfully, those are recorded with the Department of Education.

MR. MCGILL: Is information available from the department on the performance of students? Is it only with the advice and consent of the student concerned? Do I understand the Minister to say that the records would only contain the record of the student's achievements and that there would be no maintenance of records of any courses which he had attempted and been unable to complete?

MR. HANUSCHAK: Mr. Chairman, those records are contained at the school division office of the division within which the student was enrolled.

MR. CHAIRMAN: Resolution 49(c)(1). The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I have some enquiries for the Minister concerning the question of teacher certification and qualifications.

The first one really would have to do with the questions of the application of financial reward for achieving one or two additional courses, teachers at the education faculty or at the university. I wonder really whether that particular policy is being re-assessed on the basis that there may not be any necessary connection between the acquisition of a particular course of some kind somewhere and the class of teacher in which they're involved. I'm really wondering if there has been any examination of re-organizing on a basis of setting teacher classification to try and sort of merit teacher rating as opposed to simply using the sheer educational certificates or paper qualifications that they acquire over a period of time which really seems to set into motion a kind of purely automatic almost non negotiable basis for improving salary as to go to summer school and get an extra credit as opposed to actually improving one's performance as a teacher in a classroom, which might better be undertaken through merit teacher rating which have been tried by some school jurisdictions. I wonder if the Department of Education is looking at that particular issue of changing the basis for transference from one category or classification teacher into another from one of purely acquisition of paper credits as opposed to some basis of merit teacher rating that can be assessed.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, on the question of merit rating, which has been a subject of considerable discussion certainly about ten to fifteen years ago in the early 60s. In fact during the early 60s and I suppose commencing in the late 50s and continuing through the early 60s into the mid 60s, there were a number of experiments conducted on the North American Continent, experiments with a variety of models for the evaluation of teacher performance on the basis of criteria other than those which are commonly used in most of the provinces and in many of the States in the United States of

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(MR. HANUSCHAK cont'd) America. The results of such experiments were rather varied and mixed, but the upshot of them all was an abandonment of any form of merit rating on the basis of teacher performance and certainly those that were conducted in any of the Canadian provinces. There are one or two conducted in British Columbia and I believe some of the east, but a reverting to the present system where the teacher grants are basically tied to qualifications and years of teaching experience.

I'll be the first to agree that perhaps tying teacher grants and then hence in turn one finds via the collective agreements that teachers' salaries are closely related to qualifications and teaching experience may not be the best form of evaluating teacher performance, but neither is there any evidence to indicate that there is a more effective method of evaluating teacher performance. It may be true that in some cases the course credit that a teacher may accumulate which may result in increasing that particular teacher's qualifications may not be all that closely related or may not be reflected in the improvement in the teacher's performance in the classroom. But I think that generally speaking it can be said that on the whole, on a balance, as it may apply to the vast majority of teachers, that there is some degree of correlation between a teacher's increasing his or her academic qualifications and performance in the classroom, because there are a very large number of teachers, Mr. Chairman, who do take courses that are very closely related to their field of activity in the classroom. By that I mean the teachers at the Primary level, many of them take courses that are in primary teaching methodology and those in any subject specialty would likely take courses that are closely related to their particular subject specialty. Again, either in teaching methodology or subject content, which certainly at the Junior and High School level will no doubt enrich and enhance the quality of teaching of that particular teacher. So I think that there is some correlation between the two.

But to sum up, Mr. Chairman, at this point in time, there has not been an alternative method devised that would be more effective or that we would be more satisfied that is more effective than the existing one. Particularly in jurisdiction such as ours, in our province and the other provinces of Canada, and as I've said most of the States of the United States of America. Now in those jurisdictions, and I'm thinking now of many of the European countries where be and large the vast majority of teachers take a course of training of approximately the same length regardless of the subject that they may be teaching or the grade level at which they may be teaching, then it may be somewhat simpler to categorize the teachers there, either all into one category or at most two or three categories, as one finds in many of the countries of western Europe. But in Canada we have not had that. So then that raises the other problem, even if an alternate system were to be devised, then we would also have to work out a system of transition from the present system to any new one to substitute it. Because I'm sure that both teachers and the trustees would not agree to any revised grant structure that may cause either the Boards to lose money and consequently any of their teachers to lose money, particularly their competent teachers whom they would want to retain on staff. So the transition from the seven-step formula that we have to something less than seven steps, one category or two, would present a problem during the transitional stages, particularly, and I must stress again in view of the fact that a satisfactory alternative method has not been devised.

Now while I'm on my feet, Mr. Chairman, with respect to teacher record-keeping and what records are kept, the only change in record-keeping in recent years is the elimination of the yearly inspectors' reports on teachers, records on teachers' academic and professional credentials are still retained and are available to school divisions for information when requested. The reports for permanent certification are made by inspectors for private schools and superintendents for the teachers employed in public school divisions. The inspectors' reports are available to teachers, and I would presume to the teacher upon whom the report is filed. Yes, I am advised that that is the case, Mr. Chairman, only to those teachers or whom the report is filed. Students records, including marks and subjects are kept for Grades 10, 11, and 12.

MR. AXWORTHY: Mr. Chairman, I'd like to pursue the issue with the Minister

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(MR. AXWORTHY cont'd) a little bit, because I think he indicated some of the difficulties that might be examined. One would be the question of tying the question of qualification in with grant, and that it becomes almost in the self-interest of the school board or the teacher to undertake the fairly formulized acquisition of additional credit courses in order to improve their salary base, as opposed to let's say undertaking some other activity, educational or otherwise, which might be as beneficial or more so, it doesn't have that particular rigidity of having it tied to a course credit system. And again I would simply raise for thought perhaps the issue of whether the granting system shouldn't be made more flexible and that there be more freedom of allocation within the school division or the school itself in terms of reward as opposed to simply tying it directly to a specific set of paper acquisitions or credentials. I think that it may be that it's the grant system that disposes that peculiar kind of ladder climbing that does go on, and as I say that there may be some correlation between performance and the acquisition of the actual credit courses.

But it raised a question in my mind, and I'm simply asking it from a point of view of inquiry. There has been a seemingly fairly major expansion of the teacher training facilities in the province, I guess all three universities now have educational programs as well as the vast amount of in-service training, it seems to me that every second week there's an in-service program somewhere or other. And I'm just wondering have we really looked at the, particularly at the in-service extra training educational programs to determine what's going on, and is there any way again of relating the kind of money that goes into those and the ultimate performance or value that the classroom teacher acquires from having gone through these kinds of things. I can't make any specific comments on programs. I guess I've been at some of the in-services and there may be some question about the quality of what they get, but it's really a question of, do all the teachers go, and is again something that you should go to because it's now part of the system, that you have to go; and do we really have any way of determining whether, well it's become a fairly major expense, some of the money has to go in it. And I notice just about every month there's a whole new cut of, you know, Air Canada brings in a whole new flock of visiting firemen, some educational college in the United States, the full faculty is involved and they all descend upon Manitoba to teach us how to do whatever is done; and again I'm just wondering as that thing has progressed and has become more and more part of the educational training program, whether in fact we are able to assess the impact and influence of it on teacher performance and if the department itself does any evaluation of it.

MR. HANUSCHAK: Mr. Chairman, the relationship of teachers' academic training and in-service training to his classroom performance is increasingly becoming one of greater concern to us, and particularly during recent years. I suppose commencing sometime in the late 40s and continuing through the 50s and into the 60s it was no doubt very important to do what could be done to encourage teachers to increase their academic qualifications, because one would recall that in those years the academic qualifications of teachers were really mixed bag. Because many of those who had entered the teaching ranks during the war when there was a shortage of teachers because many were in active service for our country, and then of course after the war with the sudden population increase, that too contributed toward a teacher shortage, so we had teachers entering a teaching profession via a variety of groups, not to mention those who may have entered teaching back in the 20s and the 30s. Yes, at that time there were many who would enter the teaching profession, in the 20s, with an academic standing perhaps not exceeding much beyond a complete Grade 10, perhaps not even a complete Grade 11, and then others with something less than a complete Grade 12, and so it went. So it was desirable at that time to take the course of action that the governments of the day then did. But if one compares annual reports of Departments of Education for the past 25 or 30 years one would find that the percentage of teachers today having at least a first degree is far greater than it used to be; well over or bordering on two-thirds of the teachers, over 60 percent of the teachers today have at least one degree. So the situation has changed and perhaps it is time to reconsider this whole issue.

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(MR. HANUSCHAK cont'd)

The Honourable Member for Fort Rouge suggests that perhaps it would be better not tying teacher grants to teacher qualifications. If I understand him correctly, I get the impression he is suggesting that rather than have the categorical grants that we now have where dollars are earmarked for this purpose, that or the other, that we move toward block grants and let each school division negotiate with its teachers the basis upon which it's prepared to pay those teachers a salary; and let the amount of the block grant be determined by some formula which would indicate the school division, that it has X dollars per pupil or whatever and let it spend the funds in whatever manner it wishes on the basis of whatever pupil-teacher ratio it wishes to operate, and so forth.

Well I wish to indicate to the honourable member that over the past few years that notion is beginning to generate a greater measure of appeal and popularity to school boards but there's still some reservation in the minds of the school boards to go down that course in its entirety and to move away from the categorical grants that we now have, to block grants. The school trustees themselves still tell me that they appreciate the unconditional grants that they receive, the flat per pupil grants, the student equalization grants, which does give a school division a greater measure of latitude in determining its own priorities, and providing for them accordingly, but they still want the Department of Education to categorize the grants to some extent, and certainly to the extent of covering teachers' salaries and seeing to it that the grants are tied to at this point in time to teachers' qualifications and experience. I suppose what one could say about teachers could also apply to our post secondary institutions and I don't want to get into debate with that, Mr. Chairman, because there will be opportunity to do that when we come to CUA. But just the way it compares, and I want to point out that although universities may not have as rigid and as tightly bound a system relating faculty members' salaries to qualifications, but nevertheless they do keep some relationship between the two by demanding that their faculty members need certain academic requirements and so forth for department heads and so on up the line.

Also in response to the Honourable Member for Fort Garry, I want to point out to him insofar as relevance of summer school courses or evening school courses that are presently being offered, that there is this concern and initiative is taken by the Department of Education, because each year there are a number of courses offered at the Faculty of Education at the University of Manitoba at the initiative of my Department in response to the needs as expressed by the teachers, teachers of a given subject area, and they express a need for a particular course of instruction in a certain area that may not be regularly offered by the Faculty of Education and that is being provided for.

MR. AXWORTHY: Mr. Chairman, just to cap a little of that discussion, there are some other questions I want to raise but I suppose what I was leaning towards was again trying to determine whether the money that goes into the additional training program which is in-service might not be better spent in other ways than simply getting more value out of it rather than just having these kinds of weekend gatherings, one-day gatherings say as compared to the kind of system which again I've seen other school systems apply, where they take the same amount of money and develop a scholarship-bursary arrangement that a school division or a school itself which has a particular need; let's say, for example, developing a special kind of teaching for disabled children or concentrating on a language program, and then the teacher would develop an educational re-training program and go away for a year or two, and then that's how the money would be used. So there would be a very specific concentrated kind of development related to the needs of that school, the needs of that teacher, as opposed to having kind of a shotgun approach, you show up at some school for two days and listen to what some guy, you know, a visiting farmer's got to say and you go home again. It seems to me that it's that kind of thing that I would be aiming at, particularly with the changes in education that are going on, the need to develop the teacher retraining in a very specific way, related to specific objectives in the school itself, would seem to me much more required, a sabbatical type system in a sense.

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MR. HANUSCHAK: I think that there's need for both, and insofar as sabbatical leave is concerned, this is included in the collective agreements of many school divisions where teachers become eligible for sabbatical leave at a certain percentage of their annual salary after a given number of years of teaching experience. But I want to repeat the point again, which I said just now, I think there's a need for a mix of both. There is a need to offer teachers, and this is being done, to offer teachers the opportunity and the incentive to engage in more extensive and concentrated areas of study related to their particular area in the practice of teaching. But I think there is also a need for provision for the in-service training type program which we presently have. The time that's allotted for in-service training is allotted for a variety of purposes; changes in programming that may occur from time to time within a school division, parent-teacher interviews, time for staff meetings re student progress and so forth, particularly at the Senior High School level, does justify the utilization of a certain portion of time. So the 11 days for in-service training, all of it is not devoted just strictly to in-service training as such, or to types of exercises the honourable member describes, where some visiting fireman comes in from 750, or 1,000 miles away, and teachers listen to him and they go home, but it's also used for the other purposes that I've mentioned.

MR. CHAIRMAN: Order please. According to rule 19(2) I'm leaving the Chair and shall return at 8 p.m. this evening.

PRIVATE MEMBERS' HOUR - RESOLUTION 18

MR. SPEAKER: Order please. The first item in Private Members' Hour is Resolution 18 which is open to debate. The Honourable Member for Roblin will be closing debate on this issue. The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Speaker, it was my intention to introduce this resolution before we joined the Premier and the citizens of this province at the Peace Gardens. I think it is scheduled for July 29th to have a reception and a barbecue dinner and meet our American friends shoulder to shoulder, and again to congratulate them on their Bi-Centennial, but unfortunately, Mr. Speaker, the Member for St. Matthews put the New Democratic caucus over in another field. I guess from the tone of his remarks they're not going to be there that day, because I don't see how he, and especially those that support his views on this resolution can possibly sit there with our American friends that day and shake their hands and pat them on the back after the comments that he laid on the record . . .

MR. SPEAKER: Order please.

MR. McKENZIE: . . . and it may be interesting, Mr. Speaker, that we should take some of those comments that the honourable member made that day and circulate them amongst our American friends as we go with the Premier and the government that day to commemorate the Bi-Centennial and the Peace Gardens of this great province of ours.

So, Mr. Speaker, very briefly, my intent was to have the resolution on the Order Paper and a pass and copies sent to the Governors of, especially North Dakota and Minnesota whose border we share, before we went with the Premier to that great event at the Peace Gardens and unfortunately the New Democratic caucus may not all be there by the tone of the remarks, and that's most regretful. I will assure you one thing, Mr. Speaker, our caucus will be there.

QUESTION put MOTION carried.

RESOLUTION 16

MR. SPEAKER: Resolution 16, the Honourable Member for Wolseley has 15 minutes on it. The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, the Honourable Member for Wolseley is not here, so I assume that I have the floor.

A MEMBER: He just walked in here.

RESOLUTION 16

MR. JOHANNSON: If he wants to continue, I'll step down, Mr. Speaker.

MR. SPEAKER: Order please. In respect to procedure, we're on Resolution 16. The Honourable Member for Wolseley still has 15 minutes if he wishes.

MR. WILSON: Mr. Speaker, most of the points that I wanted to say, I touched upon last time and my colleague will be . . .

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

MR. JOHANNSON: Mr. Speaker, this resolution has now been before the House for some time. It was introduced by the Honourable Member for Sturgeon Creek, and we've had pretty wide-ranging discussion. In the last contribution to the House the Honourable Member for Wolseley started comparing free enterprise with Cuba and he commented very unfavourably upon what is happening in Cuba in comparison with the free enterprise countries, and this supposedly was an argument that free enterprise is a good thing and Cuba is a bad thing. But the funny thing was, Mr. Speaker, he talked about people being forced to work in Cuba, being thrown in jail if they didn't work in the cane fields, and that was rather amusing because from what I have read and from what I have heard recently about what is going on in Cuba, they're doing pretty well in terms of getting people to work and in fact from the comments that I've heard from people who were there, the one thing that really amazed them about Cuba was the fact that people in Cuba had a sense of what they were working for. They had a goal towards which they were working and they, from what I have heard, they worked with great enthusiasm. In fact many of them not merely do their regular job but they volunteer, without having a gun placed at their head, without the threat of prison, they volunteer their free time on the weekends to work for their country. --(Interjection)-- What else is there to do? Well, Mr. Speaker, the member has a point. One thing that Castro did when he took over the country was he did away with all the brothels, he closed the brothels, he closed the gambling dens, and that did to some extent cut down on recreation possibilities.

But, Mr. Speaker, the Honourable Member for Wolseley is one who is very preoccupied with welfare - some other members of his caucus also are pre-occupied with welfare - but if he were to visit Cuba, he would find nobody on welfare. That he would find very congenial in the Cuban system. There are no people on welfare. If he went to Russia, he would find nobody on welfare. --(Interjection)-- No, I am not, Mr. Speaker. I didn't raise the argument, the honourable member did, and the honourable member is one who has such a great dislike for welfare, and I'm not one who likes welfare, but my reasoning is a bit different than his. The fact is that in Russia the constitution contains a clause, "That he who does not work, does not eat," which the Tories would find very very satisfying. They would like that very much. But, Mr. Speaker, even though they like the sentiment of that particular clause, when they were the government there was welfare in this province, we didn't introduce welfare. There was welfare in this province long before we became the government, there has been welfare under various names for centuries ever since the beginning of the free enterprise of the capitalist economic system. However, that's a bit of an aside.

I wanted to, Mr. Speaker, come back to the arguments of the Honourable Member for Roblin. The Honourable Member for Roblin gave us a dissertation on the great feeling that the Tory Party has for the working man, and the honourable member and others spoke of their great feeling for the working man and how they would help the working man, and in his arguments, one of the sources that he quoted was a book that all members have received, called "Parsley, Sage and Cynthia Wine." It's a book published by a young Winnipeg woman who used to be the Free Press critic on gourmet dining, and the book is a guide to gourmet dining. The honourable member stood before us and pleaded the cause of the working man, and then he produced as his evidence to support the fact that the working man couldn't get a meal under \$3.00, the guide to gourmet dining in Winnipeg. Mr. Speaker, it's a good book. I would recommend that members read it, and I would recommend also that they follow some of Cynthia Wine's recommendations. I don't agree with all of them, but I think it's a good guide to gourmet dining, but it really doesn't have much relevance to the question of the meal that the working man eats at noon hour.

RESOLUTION 16

(MR. JOHANNSON cont'd)

As I said, the Tories have argued at length that they are the great friends of the working man and the particular exemption level of the sales tax on meals, which is now \$3.00, is unfair to the working man who has to eat a noonday meal. Mr. Speaker, their argument is basic nonsense because the working man who has to travel and who has to eat meals out during the day, has the privilege under our income tax laws of deducting his cost of meals from his income tax as a business expense. --(Interjection)-- That is not nonsense. That is accurate. The man who has to travel, the truck driver, the railroad worker, the bus driver, can deduct the cost of meals as a work expense on his income tax.

Mr. Speaker, the Honourable Member for St. Johns, I think, also pointed out that Manitoba when you compare the sales tax rate and exemption levels with other provinces, Manitoba's rate, Manitoba's exemption level is quite reasonable. In fact, of the provinces that do tax meals - and there are three that don't - of the provinces that do tax meals, our rates are the lowest. So, we're not the lowest in the country, but we're among the lowest in terms of the rate of taxation on meals.

The Member for Wolseley and some other members, I think, pointed out the fact that there is unnecessary bookkeeping and possible hankey-pankey when meal cheques are made out because of an exemption level. But the thing is that as long as you have any exemption level, that sort of thing will happen. You either have no exemption, or you don't tax meals. If you have any kind of an exemption level, you'll get that kind of thing occurring. It simply happens. In fact, one of the effects of this resolution might be to increase the price of noonday meals, the so-called luncheon specials, because right not a lot of restaurants price their meals slightly below the exemption level, instead of charging \$3.00 or \$3.25 a meal, they'll charge, let's say \$2.75 or \$2.95. If you raise the exemption level to \$4.000 they could charge \$3.95 for the same meal and still avoid the necessity of paying the tax on the meal. So you might in fact drive up the price of some of these luncheon specials, which would be something that you're not intending.

Mr. Speaker, this resolution is one of a series that the Members of the Conservative Party have brought forward in the House which remove some revenue from the sales tax - and of course we must always remember that they brought in the sales tax. Now that they are not the government they want to remove the revenue that we're getting from the sales tax.

And, Mr. Speaker, the Member for Sturgeon Creek arose with some pride when he presented this resolution to the House. He was quite proud of the resolution - and it's a Mickey Mouse resolution. It is a very minor resolution. It is a very minor resolution, and it seems to imply to me that the Tory Party is running out of ideas. Now, Mr. Speaker, one can come to that implication only if one assumes that they had any ideas in the first place, which is questionable, but they seem to be running out of ideas, and they're presenting Mickey Mouse resolutions. --(Interjection)--

MR. SPEAKER: Order please. Order please.

MR. JOHANNSON: The member has repeatedly said that this was going to help the working man, that the working man was the man who was affected by the fact that there was only a \$3.00 exemption on meals, and he was the man who was hurt by this particular exemption level. So they're going to help the working man, and how do they help the working man? They're going to raise the exemption level to \$4.00 from \$3.00, to \$3.99 from \$2.99, in what way are they benefiting the working man. Mr. Speaker, they're going to give the working man a nickel.

The Honourable Member from Sturgeon Creek is going to take away our tax credits, he's going to do away with the tax credit system which gives a maximum of \$350 a year to the working man. He's going to do away with the cost of living tax credit, which gives over a \$140 a year to the working man in tax credits. He will take away \$500 from the working man and he will give him a nickel. That is Tory love for the working man, Mr. Speaker. --(Interjection)-- Yes, Mr. Speaker, they're also going to impose Medicare premiums probably if they ever do come to power. --(Interjections)--

RESOLUTION 16

MR. SPEAKER: Order, order please.

MR. JOHANNSSON: Yes, they'll follow the lead of their brethren in B.C. and they'll impose deterrent fees; they'll bring back Medicare premiums; they're going to be great friends of the working man, Mr. Speaker.

Mr. Speaker, if the working man were to accept that he would have to be very stupid, and Mr. Speaker, the working men of this province are not stupid. The working men of this province are very intelligent. Mr. Speaker, the working men of this province elected us in 1969, the working men of this province elected us in 1973, and the working men of this province are going to re-elect us in 1977.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I'd like to just make a few points on this resolution. I was listening to the Honourable Member for St. Matthews and I would hope that we do not do away with the Tax Credit Plan or the Cost of Living Tax Credit, or reimpose Medicare premiums, because I think they're good legislation, but I don't believe that the significance of this resolution would do those things anyhow, because there isn't that kind of money that we're talking about. I don't know just how much money there is. But there is one point that I would like to raise at this time, and I know that the Minister of Finance is not in his chair at the present moment, but perhaps if this could be done, I think it would facilitate something in our restaurants, because it is done in the other provinces where there is a tax on meals, and that is that at the present time if we deal with the \$3.00 purchase, Mr. Speaker, if there is three or four people eating out at a restaurant and they get a bill, so naturally there would be - even if there were two people, there would be a tax on that meal. And I understand in some of the other provinces that two people can then ask or demand a separate receipt or separate statement and say well, we don't want to pay the tax, and that's how they get around it. For 15 cents I don't know if too many people would do it, some may, but there are many that do it and I think it would facilitate if the girl could put on the bill, "four people dining on this bill". This is what they do in the other provinces, while in this province you can't do that I understand. I don't know if it is by regulation or what the legislation calls for. Here, in order not to pay the tax if there's say six or seven people, you get a bill for seven people, you go back to the waitress, and it's usually during the real busy hour; and then you'd say, no, we want seven separate bills, and she's got to start figuring all over again and it takes her probably as long to figure out the bills and the cost of each one as it probably is for her to serve the meal. So this has got some inconvenience, and I would think that if they would be able to do the same thing as they do in the other provinces, if there's four people eating, say the bill is \$18.00, she'd say "four people" on the \$18.00 bill and this would not necessitate paying the tax. I certainly think it has merit. It would be much less time consuming to the people in the service industry, in the hospitality industry, just during the rush hours. I think it's very frustrating for a waiter or a waitress to serve somebody and then give him one bill and there's six people on it, and after she's given the bills for somebody to say, no, give us a separate one for each person because we don't want to pay the tax. I don't know why it cannot be done, I understand it is done in other provinces and I certainly believe that this has a lot of merit.

The other point is - my own personal feeling is that wherever possible we don't have to tax food - I would sooner not say a tax - I'm not talking about drinking or liquor, I know there's tax right from the start, there's no minimum on that and that's fine. But I believe on the meals I would sooner see no tax at all, and I see some merit in the resolution, so I'm supporting it.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. BARROW: Thank you, Mr. Speaker. I think we should seriously consider this resolution, Mr. Speaker. I'd like to say a few words about it because it smacks of the wooing of labour, and as my colleague said, the working man now is a man who thinks of how he votes and why he votes. I think the Member from Sturgeon Creek should join two of my Liberal friends over there with these resolutions, when they come out with these little token efforts, the minimum wage efforts, the reduction of hydro in the

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(MR. BARROW cont'd) north, that shows they're thinking about us. He's used the same tactics, Mr. Speaker, and if he is going to do something worthwhile, I think he should come down and talk to some of the northern members who represent possibly working people, more or as much at least than anyone. Though had he come out with a resolution to deal with native problems, lots of them - the Member from River Heights spoke at great length, we can use some advice here, we'll support that. Had he come out with something to cure pollution problems that we have, we could support that. Had he mentioned subsidizing the northern fishermen, we could support that. Had he changed his ideas on safety in mines from production back to safety again, we could forgive him for that. Had he suggested a cafeteria in every mining area - and this is done, Mr. Speaker - different countries have a cafeteria where a man comes up from underground, washes his hands and face and sits down and eats a meal, we could support that. Housing in the north, had he for one minute suggested taxing the corporation a certain amount and loaning that money to miners to build houses at no interest, I could support that very easily.

And Mr. Speaker, when he speaks of restaurants in the north, he compares them with restaurants in Winnipeg, in the city, it's not that way. They can sell anything in those restaurants. Just the other day, 30 cents for a cup of coffee, say, cold coffee that had been there for three days. You know, you say --(Interjection)-- you're right. You complain to the waitress, "You call this coffee," and she says, "What does it taste like." I say "Mud". "Well, that's not coffee", she says, "that's tea." --(Interjection)-- A sandwich, Mr. Speaker, it's been there for a long time. And you say, "How much are those sandwiches worth?" "Well, they're worth 13 cents, but to you we charge \$1.00." This is the way it is in the north. --(Interjection)-- How can you hope to get any labour votes, Mr. Speaker, when they voted against taxing the mining corporations which saved the working men thousands and thousands, you vote against it. I won't mention production ahead of safety again, but when he supports building a highway 75 feet long to capture native votes and use the same tactics to capture working man votes, Mr. Speaker, it's just a little much. Thank you.

MR. SPEAKER: The Honourable Member for Sturgeon Creek will be closing debate. The honourable member.

MR. F. JOHNSTON: Thank you, Mr. Chairman. Unfortunately, Mr. Speaker, I was not available to hear the debates on this particular resolution last Monday night. It was about fourth down the list last Monday night and when I got back I found that it had risen to the top and there was quite a bit of debate on it. Fortunately I have been able to be here this afternoon to hear some of them.

I would have hoped that the honourable members on the other side would have had more substance to their debate on this resolution than I've heard today, or I heard the first time this was brought up. When somebody gets up as they did two or three weeks ago and says, you know, "I don't know of any cafeterias down in mines so, really, why would we need this, because I don't know of any place that sells a lunch down in a mine." That's what the Member from Thompson contributed to the argument when I mentioned the people in Thompson. And I took the time to find out what the menus are in Thompson. I think you will find in August that the noontime specials will be over \$3.00. I think that you'll find that the noontime and the supertime specials at the present time around this city are over \$3.00 if you just go out and look at some menus. But he doesn't care in Thompson, and yet he's the Member from Thompson who has the audacity to say, "I don't know of any restaurants down in the mines."

The Member for Flin Flon just gave up and gave a really inconsistent argument about "my views on safety, my views on pollution, my views on something else." You know, really, I would like to know his views on this subject. I would like to know the Member from St. Matthews' views on the subject because he's taking the usual thing that this government has been doing all through this session, that he is saying to us, "You would do this, you would take off this tax, you would take off that tax." They are trying to put words in the Conservative's mouths. They are trying to make us say things that haven't been said. And as a matter of fact, any time we have discussed tax in this

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(MR. F. JOHNSTON cont'd) House on this side, we've given you a proposal as to the way we would handle it. And we've said to you, "We will do it better", and we will. Give us the chance any time you like, we will. And the member says, you know, he says the meals may go up in price if we change it. Well, he has absolutely no understanding of the word "competition" and that side of the House doesn't know what it is; because if the man down the street is not charging X number of dollars for a noontime special, the guy down here can't charge it or he won't do any business. That's the law of the land, that's the law of the land, that's the law of the people and that's the law of those men over there, Mr. Speaker, they don't spend any more money than they have to. That is the law of competition and you will find that they will not go up unless the man's costs go up.

Then we have the Member for St. Johns who took the opportunity to mention about the kids going out for hamburgers and things. You know, the kids go out for hamburgers and hot dogs these days and the bill is very often over \$3.00, and he regards those kids going out for hamburgers and hot dogs as pleasure and they should be taxed. Kids going out for a hamburger and a hot dog is pleasure and should be taxed. That's the attitude of the other side. --(Interjection)-- Now, Mr. Speaker, that's what was said. Would you like to look it up in Hansard? -- (Interjection)-- He said that was pleasure, that was pleasure, restaurants, pleasure, and we should charge tax when kids are going out to have pleasure when the bill comes over \$3.00. --(Interjection)-- Yeah. Kids going out for a hot dog and a hamburger is now pleasure.

The argument that was given about the great and wonderful restaurant, the Winnipeg Inn, the high-priced meals; nobody has argued with you that they shouldn't be taxed. Nobody has ever argued that. The argument that we've just heard that the people - no we didn't just hear it, as a matter of fact the Member for St. Matthews got up and bragged the other day. The Member from Flin Flon just got up and called that an insignificant change in tax be requested, abettor for the people. That's what he said, insignificant. The Member from St. Matthews the other day got up and bragged about the taxes and things that this government has done and included raising the meal from \$2.00 to \$3.00 exemption. He put it in the same class as taking tax off work horses on farms, and yet the Member from Flin Flon calls it insignificant. You'd better get together. You'd better get together.

MR. ENNS: There's no tax on horse meat.

MR. F. JOHNSTON: Mr. Speaker, let's just get down to brass tacks on this particular piece of legislation. The Member for Thompson said I presented this so I could say that I got one through this House. Well, that's fine, I'm not really worried about him. But the reason I present it again is that this government should really keep pace with the many increases and costs that have come to the restaurant owners that are being passed on to the people. They're the people that always pay the taxes and the increased costs are, I would say, 60 to 70 percent regardless of inflation, just strictly because of poor management of this government.

So anyway, Mr. Speaker, what are we talking about?

A MEMBER: Who knows?

MR. SPEAKER: Order please.

MR. F. JOHNSTON: Well I at least am talking on the bill. Mr. Speaker, I could list the brothels and gambling houses in Cuba that were talked about. I could list pollution that was talked about. So we'll talk about the bill, the resolution. The only justification of this tax was to see that a man or woman or family if you want, when they were not going out for a pleasure dinner, that they would not have to pay tax; and at the present time a noontime special, the meals that are presented in different areas are either over \$3.00 or going to be. That was the reason that there wasn't that much debate on this tax when it was brought into the House because it was on an entertainment tax basis and it was basically on a pleasure tax basis. Now this government refuses to accept the fact that the costs are going up and meals in restaurants for the guy going to work every day have gone up.

The Member from St. Matthews brings up the point about deductions. He can

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(MR. JOHNSTON cont'd) deduct his meals. Well, the man when he's travelling in the country, if he's a travelling salesman, probably can, or he has an expense account; but is everybody that works in an office building here got to be considered that he's on an expense account? In my personal business, I'm a manufacturer's agent, probably have more reason to put meals on expenses than anybody and yet if I eat downtown without a customer, I am not allowed to put that on my tax; and the men that are coming out of the office buildings here that are eating downtown every day certainly can't deduct it.

The men that work in mines, and I'll use it again, can't deduct it; and the men, many of them who travel through this country and have to eat at restaurants because they're away from home, many of them can't deduct it. So, Mr. Speaker, this business of who are we helping. They're saying, you know, we're trying to help the working man. Maybe we're helping the working man. Maybe we are when we're putting through this bill. But let me tell you, the idea of a tax on meals was only to be there to take care of the entertainment meals, the high-priced meals, and not to hurt the fellow that had to eat a meal downtown at noon or at supper because of his daily chores. And yet this government says no. Well, that's fine. We won't talk about anything other than that was the idea of the tax.

The idea of the tax was to bring in revenue on high-priced meals and now this government is bringing in revenue on low-priced meals that people have to buy in their daily work. If the government wants to call that principle, and that's what it is, it's a principle, if you want to call that principle, inconspicuous, go ahead and call it that. --(Interjection)-- Then don't do it.

As a matter of fact I'll be very happy if you don't bring it in, because I probably know more working men than most of you over there know and I know how they feel. I can assure you of that. --(Interjection)--

A MEMBER: You've got people working in your constituency, too, eh?

MR. F. JOHNSTON: Yes, I happen to have 18,000 people in my constituency and we have some working men in it. And I assure you that they don't appreciate a government throwing away a principle, and that's what you've done. You've now decided to take a tax off a guy who has to buy a meal in a restaurant while he's out working to make a living, instead of taking it from the people on high-priced meals. Thank you, Mr. Speaker.

MOTION presented and carried.

MR. SPEAKER: Resolution 19. The Honourable Member for Assiniboia indicated he wished to speak next. --(Interjection)-- Very well. Although this resolution is open, it's been debated before. Very well. I am now leaving the Chair since it's been agreed to that the House wishes to call it 5:30. The House will reconvene at 8:00 p.m. in Committee of Supply with the Deputy Speaker in the Chair.