

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 4, 1979

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we proceed, I should like to draw the honourable members' attention to the gallery on my left, where we have 25 students of Grade 9 standing of Ashern Central School, under the direction of Mr. Cameron. This school is in the constituency of the Honourable Member for St. George.

We have 25 students of Grades 5 and 6 standing from Victoria Albert School, under the direction of Jean Tanchuk. This school is in the constituency of the Honourable Member for Winnipeg Centre.

On behalf of the honourable members, we welcome you here this afternoon.

Presenting Petitions . . . Reading and Receiving Petitions.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Speaker, I beg to present the Third Report of the Standing Committee of Public Utilities and Natural Resources.

MR. CLERK: Your Committee met on Thursday, May 31, 1979 and Monday, June 4, 1979, to consider the Annual Report of the Manitoba Telephone System.

Your Committee received all information desired by any member of the Committee from the Chairman, Mr. Gordon Holland, and members of the staff with respect to all matters pertaining to the Annual Report and the business of the Manitoba Telephone System. The fullest opportunity was accorded to all members of the Committee to seek any information needed.

Your Committee examined the Annual Report of the Manitoba Telephone System for the fiscal year ending March 31, 1978, and adopted the same as presented.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Speaker, I move, seconded by the Honourable Member for Rhineland, that the report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, as all members know, Bills 22 and 23 are major pieces of legislation, the development of which has been under way for the past seven or eight years. In this process, there was representation and input from the major educational organizations in the province. Upon presenting these bills to this House, I distributed copies to the main educational organizations and to all school boards and local teachers' associations, so that everyone would have an opportunity to study the bills and be able to let me and this House know whether there were any matters which needed study and review.

All members know the extent of these bills. I have now concluded that everyone would be best served if these bills were to be referred to a Committee of this House to hear presentations from interested individuals and organizations within the community. In that way, Mr. Speaker, everyone who wishes to have input may make it.

I am sure, Mr. Speaker, that we all here have the same objective, and that is to ensure that these bills result in Acts which will be as satisfactory as they can be, recognizing always that there

will be differences of opinion on many matters, but that all views have had a chance to be heard and to be considered.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: Mr. Speaker, I wish to thank the Minister for his statement but we need some clarification. In quoting from the Minister's brief printed statement, he said, "I have now concluded that everyone would be best served if these bills were referred to a committee of this House." It is not clear what the intention of the government is in this regard, Mr. Speaker. The ordinary course of events would be that the bill would be read a second time and referred to a committee, Law Amendments or some other committee of the House. We assume that this is in response to the increasing public pressure that there should be an intercessional special Committee of the Legislature, and I would ask the Minister to clarify his statement in this regard.

MR. COSENS: Mr. Speaker, I'm told that this would be better answered during the question period. The word "intercessional" should appear before committee, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Tourism.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, I would like to table the report of the Manitoba Horse Racing Commission, for year ending December 31st, 1978.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. GERALD W. J. MERCIER (Osborne) introduced Bill No. 68, The Statute Law Amendment Act (1979)(2).

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, during the First Minister's mission to Europe shortly after the Federal election, I posed a question to the Acting Premier who then took the question as notice, as to when the people of Rossmere, Fort Rouge and River Heights, might expect that they would receive representation in this Chamber. I would today ask the First Minister if he is prepared to make an announcement so that the constituents, some 75,000 I believe in population in total, might know when they might have representation in this Chamber?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I'm delighted to inform my honourable friend, the Leader of the Opposition, that the by-elections in the three seats in question will be called after the writs are issued.

MR. PAWLEY: Mr. Speaker, I'm confident that the people of Rossmere, River Heights, and Fort Rouge will be most informed by the First Minister's response to my question.

My question to the Minister of Finance — in view of the fact that we now know that the new Federal Minister of Finance is Mr. John Crosbie, and we know that the federal Conservative Party policy pertaining to the provision of deductibility for mortgage interest, I wonder if the Finance Minister could advise as to whether or not a study has been commenced or completed within his department as to the impact upon provincial revenues that will be received from Ottawa as a result of the implementation of that program?

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, we're not aware of what the government's policy is in this matter at this point in time, but we will await it, not only from that point of view, but probably more importantly, from the point of view of how to integrate it and what effect it may have on the White Paper components that have been indicated earlier in the Session.

MR. SPEAKER: The Honourable Leader of the Opposition with a fourth question.

MR. PAWLEY: Mr. Speaker, then to the Minister of Finance. Does the Minister of Finance indicate that he does not concur with the views expressed by the Finance Minister of Ontario, to the effect that the Federal Government's proposals might have a severe impact insofar as provincial revenues are concerned from Ottawa?

MR. CRAIK: Mr. Speaker, I cannot give the Leader of the Opposition an evaluation of the impact on Manitoba.

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

MR. LEONARD S. EVANS: Yes, Mr. Speaker. I wonder if I could address a question to the Premier. I note in newspaper reports that not only did the Premier have discussions with financiers but also with industrial leaders and I wonder if the Premier could report to the House, were there any possibilities of new industries from Europe interested in locating in Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the discussions and questions were general in nature but we are, of course, always hopeful that interests in Europe will see fit to regard Manitoba as a propitious place in which to locate. I am pleased to report to my honourable friend, that the fact that Manitoba has frozen its Hydro rates for five years is a matter of great interest to people that we spoke to in Europe.

MR. EVANS: Mr. Speaker, I'd like to ask another question of the Premier. Could the Premier advise the House when legislation will be brought in, bringing into effect the recommendations of the Electoral Boundaries Commission?

MR. LYON: Soon, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Does "soon", Mr. Speaker, does that mean during this session of the Legislature?

MR. LYON: It means soon, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER: Mr. Speaker, I have a question for the Minister of Mines, Resources and Environment. During the famous election campaign in the fall of 1977, one of our election promises was that we would consider a policy on the sale of Crown lands. Since this is one of the very few promises that we have not fulfilled yet, could the minister indicate when this policy will be forthcoming?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment. HON. BRIAN RANSON (Souris-Killarney): I expect, Mr. Speaker, that a policy respecting agricultural Crown lands that have been under long term leases, will be announced soon.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'd like to address some questions to the Minister of Finance. In regard to the loan in Switzerland that was completed last week, could he inform us as to the term of the loan?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: One year, Mr. Speaker.

MR. CHERNIACK: Could the minister inform us as to what would have been the rate, what does he expect would have been the rate for a five or a ten-year loan?

MR. CRAIK: Substantially higher, Mr. Speaker, than the rate for the one year final extension of the five-year loan that was negotiated in 1975.

MR. CHERNIACK: Mr. Speaker, I'd like to clarify with the honourable minister. He says, the one year extension — is it not true that this is a new loan that was arranged, and that there's nothing in the previous contract that provided for anything but prepayment at a penalty of .5 percent?

MR. CRAIK: Mr. Speaker, there is an option in the original loan to exercise the option we took to change the terms and conditions for the final year of the loan, and that we did.

MR. SPEAKER: The Honourable Member for St. Johns with a fourth question.

MR. CHERNIACK: Yes, Mr. Speaker. I guess I'll have to check the term of the loan. Possibly the minister could let me see the clause that he is referring to. I thought it was a pre-payment privilege only, but will the minister confirm that the penalty was .5 percent?

MR. CRAIK: Mr. Speaker, I confirmed that the other day. Also, I confirmed that the loan could have been for more than one year.

MR. SPEAKER: The Honourable Member for St. Johns with a fifth question.

MR. CHERNIACK: Mr. Speaker, could the minister inform us what would have been the benefit had the loan been extended, revised or renewed last year — the penalty of 1 percent, what would have been the savings over this last year?

MR. SPEAKER: Order, please. The question is hypothetical. The Honourable Member for Flin Flon. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, thanks for pointing out that the question was hypothetical. May I ask the minister what was the effective rate last year for a Swiss loan for two years?

MR. CRAIK: Well, Mr. Speaker, those kinds of questions quite properly were anticipated by yourself and your comment that they were anticipatory or hypothetical, so Mr. Speaker, if the member wants a question like that answered, he should either file an order for return or put it in the form of a written question and we'll do what we can to get him the replies.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Speaker. My question is to the Honourable Minister responsible for Highways, and it's in connection with Highway 304 in the Bissett area leading to the Wallace Lake summer resort area. I wonder if he has had a chance to obtain a report on the condition of that road earlier this year, and if he could report to the House the reasons for the road being in such a bad condition earlier on in the year.

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I believe I responded earlier to a similar question. Let me just reiterate that that particular piece of road had given us considerable amount of difficulty earlier on this spring, as the Member for Rupertsland is well aware of — it was a particular portion of road that was under new construction that failed to compact properly last fall, and the extreme moisture conditions that we had this spring coupled with the illegal hauling of heavier loads after restrictions were placed on the road, made for a particularly bad condition on a portion of 304.

I'm advised by the department that since that time, or in the last little while, the level of maintenance has been brought up to a standard where we hope now that the road should be and will be in more reasonable condition for the remainder of the year.

MR. BLAKE: Yes, Mr. Speaker. A supplementary to the same Minister. I wonder if he could give us some indication in the House of what regularity the Highway inspection crews operate in their checking the larger trucks for overloading?

MR. ENNS: Well, Mr. Speaker, the department is concerned that on this particular piece of road there was obviously not sufficient inspection taking place at a particularly critical period of time and private truckers were able to circumvent those inspectors that were on duty. I'm having the department look at what can be done, either in terms of extended hours, or indeed, additional staff, to see that this kind of abuse of our road system doesn't carry on.

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

MR. CHERNIACK: Thank you, Mr. Speaker. I'd like to ask the Minister of Finance if he is prepared to take as notice, since he doesn't have the answer available, to give us the information as to what his department calculates would have been the cost of an interest loan in Swiss francs a year ago, for a term of two years?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I'm going to be a little bit careful about taking these kinds of questions as notice. They are detailed questions that could go on and on and on, with no ending. So Mr. Speaker, I would suggest that on questions such as this that the member file a question in written form, and we will do our best to get him the answers.

Mr. Speaker, if the member is telling me that he wants to know what it was last year, it will be only a best guess, and that's all, because you negotiate these things. So that's all that can be said to him. If it was for a longer term, the rate would be higher.

I can't help him, Mr. Speaker. He can do his own anticipation by reading the pamphlets that come from the different areas where this information is derived from.

MR. CHERNIACK: Mr. Speaker, I appreciate the problem the Minister of Finance has. May I ask him then, whether the plan to take over the foreign borrowings of Hydro by the taxpayers of Manitoba would not be based on an April 1, 1979 best guess as to what Canadian rates would have been?

MR. CRAIK: Yes, Mr. Speaker, but that's not a year ago.

MR. CHERNIACK: Thank you, Mr. Speaker. May I ask the Honourable the Minister if I'm correct in assuming that as from April 1st on, the benefit of the reduced interest rate of the recently negotiated Swiss loan will accrue to the taxpayers of Manitoba rather than to Hydro, in spite of the fact that the Minister says that the agreement of the Swiss loan was the option to government of Manitoba to renew the loan at the lower rate for the last year?

MR. CRAIK: Mr. Speaker, the transaction that takes place now is as of June 1979, the transfer of the Hydro debt is of the 31st of March, 1st of April, 1979. If there are losses or gains after April, 1979, they are on the part of the provincial government, not of Manitoba Hydro. As at this point in time, the change of the payout of the loan came at a cost of between \$25 million and \$30 million, the saving of having done it now, assuming the currencies remain the same until a year from June of 1979 into June of 1980, will be of the order of \$3 million.

So presumably, Mr. Speaker, if the currencies don't change from now until a year from now, we will have reduced the loss from some \$27 million to approximately \$24 million. That saving will go to the treasury of Manitoba.

MR. SPEAKER: The Honourable Member for St. Johns with a final supplementary.

MR. CHERNIACK: Yes, Mr. Speaker, as a matter of fact it's not a supplementary, it's a final question though. Mr. Speaker, I want to ask the Minister of Finance if he is prepared, before we deal with the \$31 million in Supplementary Supply, to let us have in advance, a breakdown of the manner in which it was calculated.

MR. CRAIK: Mr. Speaker, all the information possible will be provided. Mr. Speaker, let me finish the prior question and also point out that assuming the currencies stay the same, the \$24 million loss goes to the people of Manitoba, not to Hydro.

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Mr. Speaker, a number of questions have been raised concerning the awarding

of a concession contract at Birds Hill. I could inform the honourable members that in the prospectus which was distributed concerning this particular operation, the items listed in that prospectus said that the contract would be awarded based on consideration of the life of operating equipment to be installed in each location, the experience and financial capability of the tenderer, the amount of percentage of gross receipts as payment of annual rental, and the ability and willingness to provide efficient and economical service to the general public.

In addition, the tender document contained, of course, the standard clause that the highest or any proposal will not necessarily be accepted.

I am advised by staff of the Parks Branch that in this particular situation, it was clause (d) of the prospectus under which clause they determined to award it to someone who was not, in fact, the highest bidder.

I can also inform the honourable members, Mr. Speaker, that this practice is entirely consistent with practice previously followed by the Parks Branch and, just as an example, I could cite a situation in 1974 where the concession at St. Malo, the highest tender there was for 10.1 percent of the gross, and that tender was in fact awarded to the lowest bidder, who had proposed 5.25 percent gross.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW: My question is to the Minister of Social Services, Mr. Speaker. Could the Minister indicate when construction will start on the Snow Lake Hospital?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Well, I would think almost imminently, Mr. Speaker. I will take that question as notice.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: Yes, Mr. Speaker, my question is also for the Minister of Health. I would ask whether the Minister would be willing to undertake to provide information relative to the number of therapeutic abortion applicants handled but left untreated as a result of recent changes in Health Sciences Centre administrative policy, as necessitated by the lack of operational facilities at the Women's Centre.

Specifically, Mr. Speaker, I would ask whether he would be willing to provide information regarding the number of persons currently panelled but untreated; also with respect to special arrangements for out-of-province care for persons demonstrating particular hardship . . .

MR. SPEAKER: Order please. May I suggest to the honourable member detailed information of that nature can best be provided by an Order for Return. The Honourable Member for Wellington.

MR. CORRIN: On the point of order, and before I rephrase the question . . .

MR. SPEAKER: Order please. There is no point of order. I have suggested to the honourable member . . . The Honourable Member for Wellington on a point of order.

MR. CORRIN: Yes, you called me to order, Mr. Speaker, in order to advise me that this matter, being of a specific nature, could be dealt with better by way of Order for Return. I would inform you, Mr. Speaker, that this is a rather urgent matter. I am advised, as you are probably aware and the Minister is aware, that there are women who are in precarious circumstances as a result of abortion applications that have now gone beyond the normal critical gestation period. And with respect to that, Mr. Speaker, it seems particularly suitable that this matter be given some urgency and that responses be made as soon as possible.

MR. SPEAKER: Order please, order please. May I suggest that if the honourable member wishes to ask his question I would instruct the Minister of Health to answer it by way of an Order for Return.

The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I accept your instruction except that I have not agreed even to answer it by an Order for Return yet, unless so instructed by you. I'm aware that high-risk abortion

is a major medical problem in Winnipeg and Manitoba, I think we're all aware of that. We're working on it, Mr. Speaker. We have some developments coming in the health field which we think will go a long way towards remedying that problem.

MR. CORRIN: I thank the Minister for that response, Mr. Speaker. I would ask in that regard if he has been advised whether MHSC policy will allow panelled applicants to be remunerated or subsidized if they seek abortion services through hospitals located either in other provinces of our country or in the United States. I'm advised there is considerable concern about this because of the need for urgent operations in some cases.

MR. SHERMAN: Mr. Speaker, the government is not contemplating that kind of action at the moment, but the problem of high-risk pregnancies will be addressed through plans that are currently being formulated by the government for action in the near future.

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

MR. CORRIN: No, Mr. Speaker. My question is for the Attorney-General, and it's with respect to the recent Chenier Inquest at Portage la Prairie Provincial Judges' Court. We would ask whether or not the Honourable Attorney-General would be willing to provide a copy, a transcribed copy of the Provincial Judges' Report to members on this side, in order that we can be apprised of the circumstances of the death and the findings.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: I'll take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rupertsland. The Honourable Member for Emerson.

MR. DRIEDGER: Thank you, Mr. Speaker. I have a question to the Minister of Highways, in charge of EMO. Because of the flood situation this spring in the Red River Valley and the fact that many farmers will not be able to seed, does the Minister consider the hardship on the farmers as part of flood damages?

MR. SPEAKER: The Honourable Minister of Transportation.

MR. ENNS: Mr. Speaker, questions relating to the compensation payments that are available are best directed to the Flood Disaster Board, under the chairmanship of Mr. Elswood Bole. I think those kind of questions should be sent directly to that board.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Highways. With respect to PR 304, which I know his backbenchers are even getting interested in at this point, given the Minister's commitment to me in the Legislature some month or more ago, can he indicate when this roadway will be gravelled? I ask this question, recognizing that some crushed material has already been placed on the road, but it's clearly inadequate.

MR. ENNS: Mr. Speaker, I have asked the department to increase the level of maintenance which involves the placement of gravel on the grade during this coming summer season.

MR. BOSTROM: My second question, Mr. Speaker, is to the Minister of Resources, and I ask this question with respect to the forestry quota holders who are presently operating in the area which has been recently awarded to the Abitibi Paper Company. Can the Minister assure these quota holders that they will not lose their quota in this area in the years to come, and can he further assure them that they will have their quotas renewed after the year 1980, at a level which is at least equal to that which they now enjoy?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Yes, Mr. Speaker, and the letter has gone out to all of the quota holders that have quotas within the area of the agreement, explaining some of the basics of the agreement and

suggesting that if they have any further questions about the agreement that my department would be happy to meet with them and explain the details.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Speaker, I would like to ask if these quota holders now would be able to operate in a way in which they would deal directly with the government, or do they have to deal with Abitibi for the future quotas which they will receive in this area?

MR. RANSOM: That depends which area they're in, Mr. Speaker. If they're in the forest management licence area, then in that area the company has the responsibility for the allocation of timber that is not required for the operation of that plant. If there is a disagreement between the potential quota holder and the company, the government is in a position to arbitrate that difference of opinion. In the integrated wood supply area, the province will allocate the resources, the company has the right of first refusal to purchase at an agreed-upon price.

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

MR. BOSTROM: Yes, my final supplementary to the Minister, Mr. Speaker, and if he can't answer, I'd like him to take it as notice. Can he give assurance to those who are presently using timber within the forest management licence area for the purpose of producing lumber, and I refer to spruce timber, the jack pine timber and the hardwoods that are located in that area, can he assure the people that are involved in that industry as small entrepreneurs, will be able to continue to operate, or will they have to sell all of their production to the Abitibi plant?

MR. RANSOM: It is my understanding they will be able to continue to operate, Mr. Speaker, but just so that there is no question about that, I'll be happy to take the honourable member's question as notice and enquire further into the details.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, in my absence last week there were questions from the Member for Transcona, and I notice that he's not here today but trust he won't mind me answering them. They're with regard to the gasoline supplies. The question was raised as to whether Manitoba was under any threat of experiencing the gas shortages such as those being experienced in the U.S. Perhaps I can indicate to him that, in round terms, Canada is in a position of being in that quarter to about 18.9 percent of domestic demand, whereas the U.S. depends to 50 percent on imports for its domestic supply.

At the present time, and during the Iranian oil crisis, Canada increased its supply by 150,000 barrels a day and as a result of that, offset what could be a shortage of up to 350,000 barrels a day. The indications are that although this can't happen, we couldn't offset the full shortages immediately in Canada, and that there would be an allocation under the new federal legislation, that there is sufficient supply in Canada to make Canada self-sufficient, that there would be some infrastructure problems that would have to be overcome in the short term after such crisis occurred.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, a question to the Minister responsible for Correctional Services. Will the Minister advise the House as to the circumstances of the mass escape from Headingley Correctional Institution over the weekend?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Yes, Sir, if my honourable friend will give me until tomorrow to do that. I am awaiting a full report. Of the 13 inmates who broke out, Mr. Speaker, 11 are back in custody, 2 are still at large or were when I received my last report, which was approximately 2:30 p.m. today. I will deliver a more detailed report to the House tomorrow, Sir.

MR. BOYCE: Mr. Speaker, a question to the Minister responsible for the Safety in the Workplace. Will the Minister contact the Manitoba Government Employees Association to assess the staffing patterns of the correctional system in the province of Manitoba, to ascertain whether the staff is

being placed in jeopardy by the reduction of staff by this government?

MR. SPEAKER: The Honourable Minister of Manpower.

HON. KEN MacMASTER (Thompson): Well, Mr. Speaker, I am certainly prepared to talk to the MGEA about that at possibly our next joint Council meeting but I believe that the responsibility for staffing within that particular area would belong to the Minister responsible. I can see what you're saying, that there is a civil servant responsibility connotation to it. So I can take that and talk to the MGEA at the next Council Meeting about that.

MR. BOYCE: Mr. Speaker, I would ask the Minister if he will review the Workplace Safety Act, because the intention of that, as I understand it, was to protect the workers in their workplace. And if you will also review the standards well established in North America as the staffing relationships between the staff and inmate population in correctional institutions in North America.

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

MR. D. JAMES WALDING: Mr. Speaker, my question is to the Honourable Minister of Mines. I thank him for the answer that he gave today about the Birds Hill catering contract. Could he make his documentation available to the Opposition, so that we might better understand clause (d), under which the high bidder was passed over?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Yes, that was the fourth point that I raised, Mr. Speaker, the ability and willingness to provide efficient and economical service to the general public.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: Mr. Speaker, my question is to the Honourable Attorney-General, and I want to know, relative to the Chenier Inquest Report, whether or not he thinks it's incumbent on all meers of this House to read the transcript of those proceedings in order to apprise ourselves of the events which took place prior to the death of that young man. And I would also remind him that the mother of that young man has charged officials of the Portage School for Retardates of murder. She has done so publicly. Having sat through the inquest, she regards it as being a case of murder. And in light of that, I would ask the Attorney-General what his opposition is to providing a transcript of that proceeding to members on this side of the House on an urgent basis.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, I had not indicated any opposition. I took the question as notice because I want to enquire as to the length of the proceedings and the cost of providing the report, and any difficulties that might be faced in providing that information to the honourable member. And as soon as I have an opportunity to enquire into that, I will respond to the Member for Wellington.

MR. CORRIN: Thank you, Mr. Speaker. I would ask the Minister whether he could advise us whether he regards the cost of that report as in any way — in any way — superseding the importance of members apprising themselves of the contents of that report. And I would remind him that the proceedings were only some three hours and as far as I know transcription costs are less than a dollar a page, Mr. Speaker.

MR. MERCIER: I would be more than happy to enquire into that matter, Mr. Speaker, and I hope to respond as early as possible to the member.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Thank you, Mr. Speaker. I'd like to address my question to the Minister of Labour. In view of the inquest conducted by Judge Baryluk and his assertion that there should be regular inspection annually and a larger staff in respect to the elevator inspection, can the Minister inform us what he will proceed doing?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, the information that has been gathered by myself and the Member for Kildonan and the press is all in relationship to a verbal report given by the Judge. I understand his transcript of the entire proceedings and his findings and his recommendations will be available later on today or tomorrow. At that particular time, I intend to read that transcript and read the information provided to the Judge, and to satisfy myself and see how, in fact, he was satisfied in reaching the recommendations and reaching the conclusions that he came to in that particular regard.

MR. FOX: Yes, Mr. Speaker. Would the Minister provide a copy of the inquest report to the House?

MR. MacMASTER: I would think when it's available to me, it's available to all individual members.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, a question to either the Minister of Education or the House Leader. It's a procedural matter arising out of the Minister's statement. Is it the intention of the government to ask or proceed by leave to withdraw the two bills referred to, Bills 22 and 23, or is it the intention of the government to debate these bills?

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): Well, Mr. Speaker, there are several options open and perhaps I would like to discuss them with my honourable friend. Perhaps we can arrive at a mutually satisfactory arrangement.

MR. BOYCE: Mr. Speaker, I would be only too happy to discuss this with my friend, and perhaps we can have co-operation on both sides to have this important matter proceed amicably.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Economic Development. Would he confirm that his department has done a study of the horrendous loss of jobs and loss of capital from the Province of Manitoba during the 19 months that his government have been the stewards of this province?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: I do not accept that we have had a horrendous loss. We have had increased capital expenditures and development in the Province of Manitoba. We have got more jobs than previously in manufacturing that are up considerably, so I would only be able to do a study the other way to show him how good it has been.

MR. HANUSCHAK: A supplementary then, Mr. Speaker. Would the Honourable Minister be prepared to table a copy of the report that he claims presents such a rosy picture of the economic state of affairs in the Province of Manitoba?

MR. JOHNSTON: Mr. Speaker, the member was in my Estimates when I gave him some figures. I have given other figures in the House. All of the economic statements that point to better and bigger things to come in Manitoba are available to him any time he wants to read them, but he reads them and he won't let it register with him.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Yes, I'd like to address a question to the Premier, Mr. Speaker. This is apropos, an earlier answer the Premier gave me re his visit to Europe. Is it not correct that the five-year freeze on Hydro rates does not apply to bulk purchasers, including industries?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Yes, Mr. Speaker, the bulk purchasers with respect to contracts in existence and so on, the exact detail of it can be ascertained from the Minister for Energy and Manitoba Hydro, when that Committee meets.

MR. EVANS: Yes, in supplementary, Mr. Speaker. Why would European industrialists be interested in a five-year rate freeze that doesn't apply to industries?

MR. LYON: Mr. Speaker, my honourable friend misunderstood. I didn't say it didn't apply to industries. What has happened is that there is now a stabilization of Hydro rates in Manitoba. European investors in Manitoba who know the scene in this province are well aware of the fact that under the guidance of my honourable friends opposite, Hydro rates went up in excess of 150 percent on a compound rate.

MR. SPEAKER The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, before calling the Orders of the Day, I would like to announce that it is the intention to call Public Accounts tomorrow morning at 10.00 a.m.

Mr. Speaker, will you call Bill No. 45, please?

SECOND READING

BILL NO. 45, AN ACT TO AMEND THE TEACHERS' PENSION ACT

MR. COSENS presented Bill No. 45, An Act to amend the Teachers' Pension Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, the purpose of this Bill No. 45 is to correct an omission with respect to legislation passed last year in that former teachers now employed by the Department of Education, the Manitoba Teachers' Society, and the Manitoba Association of School Trustees and who are members of the Teachers' Pension Plan were not included among those who could reinstate past service, and since a new agreement has not been reached to provide pension adjustments for teachers, this Bill also provides for the transfer of money for that purpose in accordance with what has been done in past years.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, we thank the minister for his comments, and from this side we would suggest that the Bill go to Committee.

QUESTION put, **MOTION** carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, will you call Bill Nos. 65, 58, and 57, in that order?

BILL NO. 65, AN ACT TO AMEND THE MINERAL TAXATION ACT

MR. RANSOM presented Bill No. 65, An Act to amend the Mineral Taxation Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, over the past 20 months our government has carried out a wide-ranging examination of the application of Manitoba's oil royalties and taxes. That review

some scope for providing more rational and equitable overall royalty and tax system for the oil industry in Manitoba.

As all members are aware, the first step in the implementation of the revised system was taken last December with Crown oil adjustments. Essentially, those adjustments alleviated an anomaly in the existing system which resulted in a disincentive to production increases in the range of 7 to 17 barrels per day. As well, the Crown oil changes provided for a royalty incentive period during which time a reduction in royalty rates provides an incentive for new oil exploration in Manitoba.

I also indicated that changes to the Mineral Taxation Act would be necessary to more closely align returns from oil produced from freehold rights with returns received on similar production from Crown rates.

Bill No. 65 contains proposed amendments to fulfill these commitments. As such, it contains a number of important changes.

First, Bill No. 65 provides for more closely aligning free hold mineral taxes on oil production with Crown oil royalties already incentive in the established. This will also remove the existing 7 to 17 barrels per day range, an apparently unintended anomaly under the current Act which resulted in producers experiencing lower net profit if they increased their production in the range of 7 to 17 barrels per day.

Second, Bill No. 65 provides an incentive for additional oil production as a result of enhanced recovery schemes in the form of reduced tax levees consistent with those incentives available on Crown land.

Third, Bill No. 65 provides a production incentive period for new wells drilled on freehold mineral rights after January 1, 1979. This reduces the rate of tax to provide a benefit similar to the reduced rates of royalties during the royalty incentive period on Crown lands.

In addition to these main changes, Bill No. 65 contains some important provisions to simplify and streamline tax calculations for producers. Specifically, the Bill proposes that mineral taxes be computed on the basis of monthly rather than daily production. As well, the Bill combines the current basic 8-mill tax on oil and the incremental tax into one tax schedule. These measures will reduce the overall paper burden inherent in the current system.

Bill No. 65 also recognizes the change in measuring oil production from barrels to the present metric measure of cubic meters.

In total, the amendments proposed in this Bill alleviate problems facing producers as a result of differential oil tax and royalty treatment on freehold and Crown land respectively; removes the disincentive to production in the 7 to 17 barrels per day range contained in existing legislation; provides incentives for enhanced recovery schemes similar to those provided on Crown land; provides incentives for increased exploration efforts and new oil production similar to those provided in the Crown oil adjustments announced last December; provides major simplification in the actual tax calculation process by combining the basic 8-mill tax with the incremental levy in a single taxation schedule; and by for the calculation of the total oil levy on the basis of monthly rather than daily production; and it provides the necessary changes to accommodate metrication. In essence, Bill No. 65 provides more equitable, rational and streamlined tax situation for the oil industry with no substantive impact on provincial revenues. Accordingly, I would commend the Bill to all honourable members.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I move, seconded by the Honourable Member for Lac du Bonnet that debate be adjourned.

MOTION presented and carried.

BILL NO. 58, AN ACT TO AMEND THE MINING ROYALTY AND TAX ACT.

MR. RANSOM presented Bill No. 58, An Act to amend the Mining Royalty and Tax Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Mr. Speaker, in his Budget Speech in this House on May 15th, my colleague, the Minister of Finance also announced that we proposed to terminate the taxation of industrial minerals under The Mining Royalty and Tax Act. Bill 58 makes this effective July 1st, 1979.

In response to concern expressed by industrial minerals operators in the province and in the face of continuing problems with the administration and enforcement of . . . legislation dealing with the levy of a royalty tax on the production of industrial minerals, our government carried out a complete review of The Mining Royalty and Tax Act. And this review concluded that the industrial minerals industry in the province is characterized by a preponderance of small operators with low income and little or no administrative support — that these operators are subjected to double taxation in that The Mining Royalty and Tax Act applies, and mining tax, with compliance requirements and procedures additional to the royalties payable to the mineral owner, be that owner the government or a freehold owner. And concluded that considering the revenues collected under this Act and the problems and cost of effective administration and enforcement, the mining tax on industrial minerals has become a nuisance tax. Termination of the mining tax levy on industrial minerals will result in a loss of revenue, currently averaging about \$250,000 a year.

The bill also provides, under Part 5 of the Act, for dealing with the establishment and management of the mining community reserve, which has been rescinded and transferred to The Metallic Minerals Royalty Act, where it would seem to more properly belong.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'm sorry I didn't hear, and I would like the minister to answer a question as to the amount of revenue that he's calculated would be lost.

MR. RANSOM: Approximately \$250,000 per year.

MR. GREEN: Yes, Mr. Speaker. I move, seconded by the honourable, the Member for Lac du Bonnet, that debate be adjourned.

MOTION presented and carried.

BILL NO. 57 — AN ACT TO AMEND THE METALLIC MINERALS ROYALTY ACT

MR. RANSOM: presented Bill No. 57, an Act to amend The Metallic Minerals Royalty Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, Bill 57 contains the major reforms to the existing incremental royalty system indicated by the Minister of Finance during the May 15th Budget Address. The reforms are essential to return Manitoba industry to a reasonably competitive position with other provinces, thereby providing the industry with a taxation climate conducive to expansion of mining and processing activity in the province. The amendments also simplify the very complex system which was previously in place. The reforms provide a more stable and predictable royalty system, and a system fair to both the industry and the people of our province. On balance, the new system is expected to provide a more attractive environment for the continued development of mining in our province, At the same time, is protecting the current and long term ability of the industry to enhance and expand job opportunities and incomes for Manitobans.

Firstly, with respect to the single royalty rate, this is the most significant amendment contained in the bill, and it's the replacement of the incremental royalty system of 15 and 35 percent, with a single royalty rate of 18 percent.

As indicated in the Budget Address, this reform is necessary to assure the industry of a fair and equitable royalty system, in comparison with those levied in our sister provinces. Our own review of the Manitoba royalty system over the last year, and a general federal-provincial review of resource taxation, provided confirmation that the existing Manitoba royalty regime, in combination with federal and provincial income taxes, resulted in the mining industry in Manitoba facing potentially higher

total tax and royalty burdens than anywhere else in the country.

The Federal-Provincial Resource Taxation Review, also confirmed that the overall burden of federal and provincial resource charges and income taxes facing the industry, more than doubled between 1969 and 1975. To assist the honourable members opposite in realizing the impact of the former system, I would refer them to Table 10, Page 32 of the Federal-Provincial Resource Taxation Review, which takes hypothetical mine-model operations with uniform assumptions on costs of operations and profitability, and compares the impact of the various taxation and royalty systems in effect in all provinces in Canada. That table clearly illustrates the oppressive impact of the incremental rate regime implemented by the previous administration.

For a profitable integrated base metal open pit operation, the after tax rates of return over the life of the mine were computed, and the rates of return were as follows: Newfoundland, 15.5 percent; Nova Scotia, 15.9 percent; New Brunswick, 15.5 percent; Quebec, 16.2 percent; Ontario, 15.8 percent; Saskatchewan, 16.0 percent; British Columbia, 15.3 percent. Manitoba, with the most oppressive resource taxation system in all of Canada, reduced that rate of return on such a mine to 13.8 percent, which is a full 2.2 percentage points below the rate in effect in Saskatchewan, for example, and is the lowest effective rate of return after taxes of any system in Canada.

The Resource Taxation Review also contains information on a hypothetical profitable large mine mill open pit operation, and the results were similar. The Manitoba system was the most oppressive and punitive, and on the basis of comparable assumptions for all provinces, provided an internal rate of return some 2.6 percentage points below that offered by the Socialist government of Saskatchewan, and again the lowest rate in the country.

I would invite the honourable members opposite to review those tables, which confirm on the basis of objective analysis the overall excessive nature of the system which they had imposed. I suppose that those facts taken by themselves, Mr. Speaker, might not be of too great concern, but they were certainly a concern for the industry in this province and for the people of the province. And the simple fact of the matter is that investment decisions were based on the impact of that system over the life of viable mine prospects. The simple fact of the matter is that the imposition of such a heavy and restrictive burden on the Manitoba industry would lead rational planners to pay more attention to prospects elsewhere. And that is just what has happened, not only for Manitoba but for all of Canada.

And on Page 56 of the Mining Taxation Review Report, to which I referred earlier, it is noted that and I quote, "A change in the industry occurred around 1970, with a deceleration in growth for long-term reasons beyond normal cyclical factors. This deceleration has been accompanied by an increase in the proportion of mineral investment of Canadian-based firms in mineral exporting countries with which we compete."

And on Page 8 of the same report, I quote again, "Although Canadian exploration expenditures in constant dollars declined over the 1971 to 1975 period, this was not the case in South Africa, Brazil and the Phillipines, countries with which we compete for such investment. Another factor that may have a bearing on the long-term performance of the industry is the amount of resources devoted to research and development. These expenditures by the mining sector have been stagnant in current dollars, and declined substantially in constant dollars."

The information on Page 8 of that report also confirms that Canada's production of selected minerals, as a percentage of total world production, has experienced significant declines since 1971, particularly in Canada's share of world copper, nickel, lead, zinc, gold and asbestos production. In our view, the decline of the Canadian share of world production is indicative of the fact that there are factors other than general market conditions that have materially and adversely affected the health of the industry in Canada.

Furthermore, in our view it would be extremely difficult to argue that the doubling of the effective taxation burden facing the industry in that period from 1969-75, has not been a material contributor to this decline.

We are confident that reforms proposed in the taxation of metal mining in Manitoba will assure the Manitoba industry of an overall taxation environment, competitive with that of other provinces.

Mr. Speaker, our own internal analysis of the impact of the incremental rate regime on a model of the Fox Lake mine, also confirmed the extent to which the overall royalty system imposed by members opposite is out of whack with realities in other provinces. That analysis indicated that the combined royalty and federal and provincial income taxes under 1978 legislation of this hypothetical Fox Lake mine model were as follows: 46.7 percent in British Columbia; 47.4 percent in Ontario; and 41.5 percent in Quebec. Comparable effective tax rate imposed under the system brought in by the members opposite for Manitoba was 54 percent by comparison. The effective tax rate under the reforms we are proposing will reduce that to a 46.2 percent effective rate, which is still somewhat higher than the Quebec regime, but lower than both British Columbia and

This reform is a major initiative required simply to place the Manitoba industry on a comparable footing with the mining industry in other provinces. As noticed in the Budget, a single rate system is preferable to the incremental rate system imposed by members opposite for a number of important reasons: High marginal tax rates such as occurred under the former system, involving almost 75 cents of each marginal dollar of profit accruing to the public sector, were a serious impediment to mining investment; dual rate systems discriminated against companies with fluctuating incomes, a very common condition in the mining sector; high marginal tax rates led to the perception of Canada as a high-tax country, resulted in reduced investment from abroad, as well as from domestic sources, and dual rate systems of the type and effect in Manitoba are overly and unnecessarily bureaucratic.

In addition to the replacement of the incremental rate regime or the single rate of 18 percent, the bill contains proposals for specific incentives to encourage renewed growth and development of the industry. The institution of an investment royalty credit equal to 5 percent of new investment in Manitoba, up to 1/2 of royalties otherwise payable, is intended to encourage continual development and expansion of the Manitoba industry. Since the credit applies to new investment only, no substantial immediate revenue implications are anticipated. Over time, as advantage is taken of the new incentive, we expect beneficial impacts on employment and incomes generally. As well, the credit is expected to assist in insuring a continued and increased stream of royalty revenues to the province over the long term.

Bill 57 also contains some improvements to the existing processing allowance. Proposed changes involve streamlined definitions of assets eligible for processing allowances, including specific recognition of the contribution of assets serving the processing activity, and an increase in the maximum allowance to 65 percent of mining profits, presently 50 percent, and the provision of a minimum processing allowance of 15 percent of mining profits, presently with no minimum.

The basic processing allowance continues to be calculated at 8 percent of the original cost of eligible assets, with an additional allowance of up to 25 percent of the basic allowance for assets serving the processing activity.

The streamlined definitions involve some improvements and simplification in the calculation of eligible assets, a continuing concern for both the industry and tax administrators, while the proposed increased minimum and maximum allowances are intended to put the Manitoba provisions on a more competitive basis with those of other provinces. As such, the amendments to Bill 57 are in keeping with the recommendations of the federal-provincial resource taxation review, that tax and royalty legislation avoid unnecessary complexity and that further processing be encouraged, were of net benefit to Canada.

Under the existing legislation, exploration expenses incurred by non-resident companies of Manitoba, or Manitoba operators in loss years are not a deductible expense in computing royalties payable. As a result, the current legislation has provided some disincentives for non-resident companies to explore in the province, and for resident companies to undertake exploration in loss years. To overcome this problem, Bill 57 proposes that exploration expenses incurred in Manitoba by resident companies in loss years, or non-resident companies, be banked and deducted in any subsequent fiscal year in which profits, subject to Manitoba royalties, are earned.

With the implementation of the single-rate system, the limited averaging provisions of the existing legislation will no longer be required. However, since 1978 marked the beginning of a year block for averaging purposes under the former second three-incremental system, some hardship could result for mining companies subject to the vagaries of the incremental rate regime in 1978 being unable to average their 1978 royalty liabilities over a longer period. To provide some relief from this situation, Bill 57 proposes the extension of the existing averaging position for a fourth year, to include 1978 for royalty averaging under the incremental royalty regime. This provision ceases on December 31, 1978, since the single royalty rate, which will not require an averaging provision, becomes effective January 1, 1979.

The husbandry provisions of the Metallic Minerals Royalty Act represented somewhat of an anomaly in taxation legislation as well, current provisions provided authority for potentially excessive interference by the province in the operations of the industry. More particularly, the implicit ability of the province to dictate production decisions added to the general climate of uncertainty about Manitoba as a place to invest. Accordingly, Bill 57 proposes the rescinding of the husbandry provisions in the current Act.

The overall revenue implications of the proposed changes are not expected to be substantive. Analysis of the royalty information for 1975, 1976 and 1977, indicates that the combination of the processing allowances and the rate changes would have reduced royalties payable in 1975 and 1976, but increased royalties payable in 1977. In overall terms, over the three years, the changes proposed would have increased provincial royalties by around \$600,000.00.

While some members opposite may be inclined to take these figures as an indication that the

new system represents an increase in the tax burden facing the industry, this is not likely to be the case, of course, over a long period of time. It does allow for some levelling of the taxation to be paid. In fact, the improved competitive base provided by the reform system is best illustrated by a hypothetical mine model analysis, which showed the impact of the reform system over the life of a mine.

On the basis of the Fox Lake Mine model referred to earlier, the combined royalty and federal/provincial income tax rates under 1978 legislation were computed at 54 percent in Manitoba, 46.7 in British Columbia, 47.4 in Ontario, and 41.5 in Quebec. Under the proposed reforms, the effective total rate in Manitoba will be reduced to 46.2 without the investment royalty credit, and 43.6 with the investment royalty credit. The 46.2 percent effective rate is illustrative of the situation facing existing operators in Manitoba. That rate though somewhat higher than the effective rate in Quebec, restores the industry's total effective tax rate to the mainstream of Canadian provinces.

In essence, the new system provides a stable and predictable royalty environment for the mining industry in Manitoba, and a reasonable basis for making the kinds of long-term investment commitments crucial to the long-term health of the industry. At the same time the new system is fair to the people of Manitoba in assuring a climate conducive to continued and increasing stream of royalty revenues over the longer term.

Mr. Speaker, I commend the Bill to the House.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, the Act that my honourable friend is now amending took approximately two years of research and discussions and consultations with various people, including in the revenue area, and in the tax area, and in the mining area, to develop. And may I say, Mr. Speaker, when it was developed, that the initial reaction of the industry was that it was a fair piece of legislation, and it was only some time after they realized that there was a compulsory depreciation figure, that they changed their mind about the legislation, and we had at that time, Mr. Speaker, the farcical behaviour of the Legislature and of the media that were friends of the industry saying, one day that well, the government has backed down and has enacted a sensible piece of legislation, and then the delayed reaction that this Bill was worse than the one that was previously brought forward and suspended. Mr. Speaker, for a time.

And interestingly enough, Mr. Speaker, we have the Minister of Education now suspending two pieces of legislation, and it will be interesting to see whether there is an onslaught by the media, of this Minister who withdrew his legislation, in the face of it being shown to be demonstrably foul legislation. Because that is what happened, Mr. Speaker, and that's what the Opposition said when the original Bill relating to mining royalties was passed. And what we said is that we had to look at it, and in the meantime, Mr. Speaker, the industry was prepared to accept 23 percent royalties on their profits. Remember that the victory of the industry and of the opposition was that they had forced the government to tax them only at 23 percent. We're down now to 18. The industry was happy with 23. My learned friend should learn what the industry felt was a reasonable tax — 23 percent. We're now down to 18, Mr. Speaker.

Now, Mr. Speaker, I mention this because I want to say that it won't take two years next time. The legislation is there. The amendments that are now being made will be easy to unravel, and it will be a relatively simple matter to reenact, for the people of this province, a stable, predictable, and fair piece of legislation, by simply repealing the amendments that are now before us, in this particular piece of legislation. It won't take a committee meeting to go around for two years. It won't take a consultative body. It won't take consultation with the industry. It won't take consultation with tax experts. It will merely be, Mr. Speaker, a simple repeal of the amendments that are brought forward now by the Minister, to have again a sensible piece of legislation.

And, Mr. Speaker, the Minister says that the purpose of this legislation is return to a competitive position with other provinces, and then he went through this position. He said that the tax in various areas left to the industry — listen to whom we are greatly concerned — not how much money the province gets, but how much the industry is left over with. And what the industry is left over with in the province of Manitoba, after taxes — that's very important — is 13.8 percent return on their investment.

— Now this to the simple investor, Mr. Speaker, is very enlightening. If he happens to have a little bit of money that he puts into Canadian Savings Bonds, he gets a return of something like 9 to 11 percent and he pays taxes on that. He pays taxes on it. The average citizen doesn't know what a return after taxes is because everything that he invests in is taxed, and if he happens to get a good mortgage which pays him in the area of 13 percent or even a second mortgage which pays him in the area of 16 percent, he doesn't earn 16 percent on his investment, he earns 16 percent

minus taxes, but the Minister says that the industry is in the terrible position where they need someone to come along and help them out. They're basically in terrible shape — all they are getting after taxes, as the result of the horrendous taxes are imposed by the province of Manitoba, is 14 percent, and I'm rounding — 13.8 percent after taxes. And the figures that my honourable friend read dealt with figures of 16 percent, 15 percent, and ours is 14. And one thing that my honourable friend is not able to do, and has never been able to do, is show you any decrease in mineral activity in the province of Manitoba by virtue of taxes.

He knows, Mr. Speaker, that mineral activity in the province of Manitoba increased after the legislation that he is referring to was enacted; that in the last year of the province of Manitoba that was under New Democratic Party government there was roughly \$16 million in exploration activity. There was no decline, Mr. Speaker, except the normal decline which was even higher in Ontario with regard to production activity, but there was no decline. But my honourable friend says that we have got to get into a competitive position and he mentioned, Mr. Speaker, the competition from the other provinces, and it didn't sound so horrendous — it was 16 percent to 14 percent, both after taxes, never dealt with the dollar value of what was happening, and knowing, Mr. Speaker, that he couldn't make out much of a case from 16 and 14. Here is what Manitobans are now required to compete with in order to lure mining companies to the province of Manitoba in order to have the privilege of them coming out, removing the wealth of this province and earning profit on it. Here is the comparison. South Africa, Mr. Speaker. We will have to become more like South Africa. We will have to have a . . . and if we don't get it the mineral industry is going to leave the province. We will have to have a segregated destitute black labour force that works under cruel and inhuman conditions in order to feed the appetites of the mining industry, who won't come to Manitoba unless we are competitive with South Africa.

He then said, Mr. Speaker, we have to compete with Brazil. We have to set up — and they will do it, if it's necessary — a military dictatorship with a totalitarian regime, Mr. Speaker, in order to make — (Interjection) — Mr. Speaker, he used Brazil; I didn't. He used Brazil.

Mr. Speaker, then he went to Brazil and then he went, Mr. Speaker, in order to get these people to come into our province and have the privilege of removing the wealth belonging to our people, we will have to provide for the same conditions as are provided in the Philippines.

Mr. Speaker, if we do all of those things and we satisfy the appetites of the mining industry, we will still not be competitive because after these things are done the mining industry will say, well, things are much better now. You have equated us with South Africa, Brazil and the Philippines but there is still one place that you're not as good as and that's Chile. In order to satisfy the mining industry, Mr. Speaker, you have to take the democratically-elected President of the state, shoot him 14 times, call it suicide and then, Mr. Speaker, you will welcome private mining industries to our province.

Mr. Speaker, that's what the Minister said and that is the straitjacket that he has put himself in and the Province of Manitoba in, Mr. Speaker, when he says that we have to make sure that Manitoba is as attractive as other places where the mineral industry . . .

MR. SPEAKER: Order please, order please. The Honourable Minister of Mines on a point of order.

MR. RANSOM: Yes, Mr. Speaker. The honourable member is alleging that I have said such things as that we shoot a democratically-elected head of state and call it suicide, and that those are the sorts of things that will bring the mining industry in. Mr. Speaker, those are not my remarks; those are his remarks.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: There was no point of privilege, no point of order, no point of anything. I never said the Minister said that. I said, Mr. Speaker, that the companies will say after you have done all of these things, there is still one place that you haven't compared us with and you have to do for us what they have done in Chile to make it as competitive for the mining industry, because that is what the Minister has said. The Minister has said he has to make us as competitive as those places where private mining capital has sought to invest, where conditions are better than they were in the Province of Manitoba. The member said that. That is the entire basis of this legislation, Mr. Speaker, because what relief is being sought here — and let's be clear.

MR. SPEAKER: Order please. The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Yes, Mr. Speaker. The honourable member again is attributing remarks to me which I did not say. If he will review my remarks, he will find that they said that we must be competitive with other jurisdictions in Canada.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I have not been dreaming. The honourable member mentioned South Africa, Brazil and the Philippines, and he said that because of what is happening in Canada people are taking this money and putting it into other places. Mr. Speaker, he indicated that there was a need for reorganizing Canadian taxation in order to prevent that type of thing from happening, and he is the one who mentioned it. I am telling him, Mr. Speaker, if he does not already know about what the logic of his position is — because that is the logic of his position — and let us look at what we are relieving these people of. According to the existing law, after all allowances, after all depletions, after depreciation, after whatever expenses the company has — and in many cases they include exploration — the company pays a royalty of 15 percent on its earnings when those earnings are up to 18 percent of its invested capital. That means if a company has invested \$1 million and earns \$180,000, it pays 15 percent tax, given the usual allowances for expenditures and exploration and what have you.

Then we say, if a company earns more than 18 percent on its dollars invested, of the overage, Mr. Speaker — not of the entire amount — of the overage, everything over 18 percent it will pay 35 percent of the profit beyond 18 percent return on its investment.

Mr. Speaker, the average citizen in our province knows this very well. He pays, on the amount of his income which is taxable' on the first amount he pays a tax of 17 percent. I can't remember the figure. When he earns much more than that, he pays a graduated tax. And that's all that was done with the mining companies and the Honourable Minister has confirmed that in the past years it really hasn't been a substantial amount of taxes. It hasn't really done anything. And that was said at the time, although the mining companies screamed. What we said was that in the future, if and when there is a windfall return, if people start to earn more than 8 percent on their invested dollar, think, Mr. Speaker, more than 8 percent on your invested dollar. When you invest in bonds you get 0 percent which is taxable. Well, this will be taxable, too. But what we are saying is that the mining companies will pay only 15 percent royalties if they make up to 18 percent on their invested dollar. If they make a return which goes over 18 percent, we're not going to take it all; we're not going to take 50 percent of it; we're not going to take 60 percent of it. We're going to take 35 percent of a windfall profit.

Mr. Speaker, the honourable member says that this will be a more stable and predictable tax. I say that that is the weakest feature of the legislation. This will not be a stable and predictable tax. I will prove it from the Minister's own mouth, if not from him from his colleagues and from what has happened in other provinces.

The Member for Wolseley said if they start making a lot of money, all you have to do is increase their taxes. And if that sounds like mere bleatings of the Member for Wolseley, that's exactly what Ontario did and that's exactly what Alberta did. Do you think even the Conservatives in Alberta would let the government of Alberta, the Conservative government, get away with having the mining companies or the oil companies pay the same rate of taxes on their return as they paid before the price of oil went up from \$2.75 to \$11.00? That's not what they did, and my honourable friend knows that's not what they did. Immediately that started to happen the Province of Alberta, a Conservative province, said what we had said in this bill in advance and told the companies what they can expect and which they do not know now what to expect, even from a Conservative government. What Mr. Lougheed said is, with these types of windfalls we have to increase your rate of tax.

And the same thing was done, Mr. Speaker, by Mr. Robarts in the Province of Ontario. It was a kind of a stupid tax. The Ontario government, which is Conservative, is a little bit stupid: They taxed on absolutes. They said — and I don't remember the exact figures — but that if you make \$500,000 you will pay at one rate; if you make \$1 million you will pay at another rate, with no reference to how much the company had invested. In other words, the company that invested \$500,000 and earned \$500,000 would pay at a lower rate than a company that invested \$100 million and earned \$100,000, because that's stupid Conservatism, similar to this bill. But that's what they did, Mr. Speaker.

What did they do in Saskatchewan? Mr. Speaker, they did exactly the same thing in Saskatchewan. They said that there is going to be an increased royalty on oil because of what happened to oil prices. And they did the same thing in the Province of Manitoba and, interestingly enough, Mr. Speaker, he is not repealing that. Because he can't. It would offend the conscience of all of the people of the Province of Manitoba if an oil company paid a 15 percent royalty when

oil was \$2.75 a barrel, and paid the same 15 percent when oil went up to \$7.00. And the Conservatives aren't repealing it. We put on a windfall tax on oil, which they happen to have paid, and he is not repealing it. He is repealing one where they didn't pay, because copper and nickel never got the kind of windfall prices that oil did. So the companies haven't paid this. I'll warrant, Mr. Speaker, that of the \$600,000 that he is taking about, the major part probably comes from tantalum, because that's the only place where there is a windfall profit. The price of tantalum went up from \$9 to something like \$45, and I say there has to be a windfall taxation of tantalum. And why shouldn't there be? Here is a company that invested a total of \$6 million to start with — that was its investment dollar — and last year it made \$2.3 million. That's 30 percent on its investment, and it's our tantalum. Isn't the public entitled to a share of that increased price?

It has nothing to do with increased investment; it has nothing to do with increased expenses; it has nothing to do with increased initiative; it has nothing to do with any aggressiveness on the part of the mining companies. It has solely to do with the value of the concentrate. And the value of the concentrate belongs to us. And if that goes up, Mr. Speaker, are we not entitled to part of it? And that's all we've said, and, thus far we haven't got any.

But to talk about this removal of the tax in order to put us in a more stable and predictable position is sheer, Mr. Speaker, sheer rhetoric and, secondly, Mr. Speaker, it has been proved to be false by the facts. Every single government in Canada — and this one will, too — if the price of copper goes up from 60 cents to \$2 and the mining companies start making huge profits on copper, then that Minister is going to walk in here — even if he is a Conservative Minister and I trust it won't happen — and he is going to say, we cannot let them make so much money on the coppermine in the north because the copper belongs to us and there has to be an increase in the amount of taxes that they will pay.

And if he doesn't, Mr. Speaker, what will happen is that the federal government will get the major share of that tax revenue from the profits on copper, because they will be the income taxers, and we, who are the owners of the resource, will take a very small amount of it. And the public won't let them do it, and they won't do it. Even if they are in power, they won't do it.

And that's why, Mr. Speaker, that I tell the Honourable Minister that it is indeed fortunate that the work has already been done, because, Mr. Speaker, as I stand here I vow to the people of this province that if I have anything to say about it — and I hope that I will — that this tax, this bill will be reversed immediately the New Democratic Party government comes into power. We will reinstate, Mr. Speaker, in its exact form — and when I say that I don't wish to be literal; if there are some administrative changes that have to be made, surely they will be made but the philosophy of the bill which says that a company will pay 15 percent royalty on the amount of its earnings, up to 18 percent on its invested return, and 35 when its earnings exceed 18 percent on its investment return, that will be reenacted the moment the New Democratic Party becomes re-elected in this province and, hopefully, Mr. Speaker, at an early early session.

That's the difference, Mr. Speaker. When they came in, the first thing they had to do, before anything happened, was relieve taxation to a person who inherited \$500,000.00. He was in terrible condition. If something wasn't done immediately, he was liable to go hungry and there was an immediate session to do that. We will, Mr. Speaker, have an immediate session to put back royalties in such a way that that concentrate, which belongs to the people of the Province of Manitoba, which is on our property, which no freeholder would let anybody take on the kind of policy that is enacted by the Conservative Administration, and I'll prove it. There are freeholders who own oil rights in my honourable friend's constituency. They are in the same position as the province owning the mineral rights. Which freeholder has given an oil company the right to pump out oil on the basis of 15 percent of profit?

MR. SPEAKER: Order please. We're dealing with the metallic minerals, not the oil . . . The Honourable Member for Inkster.

MR. GREEN: Well, Mr. Speaker, I am trying to convey to some people who have had a difficulty in comprehension the nature of this task. Maybe you are not aware, Mr. Speaker, but no royalty is paid if no profit is made. They can take out, and if they can make the proper depletion allowances, and if they can make the proper expenses and exploration expenses, they can remove, Mr. Speaker, 10 million pounds of concentrate from the Province of Manitoba and pay not one penny Mr. Speaker, not one penny — not one penny in tax.

The honourable member's constituents have oil rights under their land. Which one of them permits an oil company to come in and take oil on the basis that they will get a return only if the oil company makes a profit? Not a single one. Not a single one, because to their credit, the people in southwest Manitoba who own mineral rights and oil rights are a hell of a lot smarter than the collection of Conservatives on that side who hold in trust the mineral rights belonging to the people of this

A hell of a lot smarter.

Mr. Speaker, under this Act the mineral companies paid taxes only if they made a profit, and they paid at 15 percent if their profit was that meagre return of 18 percent on the invested dollar. Given all of the allowances which they are entitled to take, including exploration expenses in many cases. That's right. You know, I think that if you go to Mr. Bergen, who is your landlord friend, or at least was, and told him that you would give him the right to pay taxes only after he earned 18 percent of his investment dollar in real estate, he would think that that's a terrific deal. And then after the 18 percent, Mr. Speaker, all they are paying is 35 percent, and I warrant, Mr. Speaker, that the bulk of that \$600,000 — that's all they collected in the last two years — and I'll warrant most of it comes from Tantalum, and why shouldn't it? Tantalum started at something like \$7.00. It's now, I think Mr. Parsons told us, at \$45.00. The Tantalum belongs to the people of this province. We've given somebody the right to take it out, but can't he make a normal profit, and if the price goes up, that we all share.

That is the feature of the bill, Mr. Speaker, and that is what the Minister is undoing, not because it's a bad bill . . . I can show you articles, Mr. Speaker, written in this country, which indicate that that is one of the most forward pieces of tax legislation that has been enacted in this country. It has been largely followed by the Federal Government in their royalties in northern matters. The principle of the legislation has been followed and is the case with regard to every individual, and will be the case, Mr. Speaker, in time, with regard to all mineral-producing companies. But why are they enacting this piece of legislation? Because, Mr. Speaker, the mining industry has said, "We want your demonstration of faith that if we say that you're to walk into this office and kiss my ankle, that you will do so." And this, Mr. Speaker, is the kiss of the ankle; that's all it is. That's all it is. My honourable friend is not able to show that there was any diminution of mining activity in this province because of this tax. My honourable friend is unable to show that the mining companies have said that it's an unfair tax. What they said, Mr. Speaker, is that it was unfair to make them take depreciation.

You know, it really is the reverse. What we did is succeed in reversing the tables. We gave an incentive to those people who, when they make money in Manitoba, reinvest it, and that's why the Minister is now having to give them different types of allowances, because that incentive, Mr. Speaker, and I'm not certain and I'm going to ask the Minister after I finish my remarks, as to what he intends with regard to demonstrating some of the points of this bill.

But we said that you must take a depreciation allowance because if you don't your investment picture will be higher, and when your investment picture is higher you don't get to the 18 percent based on real figures. And when they saw that they were going to have to do what they had previously claimed all the right in the world to do, as a matter of fact fought with governments for the right to do, on the basis that it was only right and proper that you be able to depreciate their assets, and some of the assets are derreciated down to nothing, and therefore if there's no investzment, they start the 35 percent tax immediately, that's when they, Mr. Speaker, reacted.

And what's wrong with that? If a person writes off his total investment in the Province of Manitoba, and some of the companies ultimately will, which means that they've got all their money back. That's not bad. Should they then not start paying taxes on the basis of the fact that they are earning a very high return on their investment? That's all the bill said. And, Mr. Speaker, it will say it again. There is no oppressive impact in the bill that is now before us before it's repealed. The figures that my honourable friend uses for oppressive impact are 13.8 percent return on investment after the payment of txxes. Everybody should be so oppressed. This is an oppressive impact.

Mr. Speaker, my honourable friend says that the taxes will be more stable and predictable; they will be less stable and more unpredictable, because what the Member for Wolseley said was quite correct. When the money starts to roll in, if it does, if the price of nickel goes up, if the price of copper goes up, the Conservatives are going to change that tax and the industry doesn't know what it will be changed to. We told them well in advance, and one thing that they will not, Mr. Speaker, challenge, is that everything that we told them during the period that I was the Minister, we held true to. At no time did the industry ever challenge the good faith or undertakings that were given by the government.

And we told them that it was our intention, although nobody can speak for what 57 other parliamentarians would do, that our intention was that the 35 percent on earnings which are beyond 18 percent of investment, was what we intended vis-a-vis a growth tax because we, Mr. Speaker, never said that we expected all our return from the companies to be in the form of taxation. That's something that they say. That's something that the Member for Wolseley says. When they start making money after they come in here . . . These were his words, Mr. Speaker, which the mining industry should know represent the words of the Conservative Party, "Lure them in. Get them making money. Then tax them." That's what he said, Mr. Speaker. That's what they intend because that's what they will have to do.

We said, Mr. Speaker, that we cannot operate that way. We cannot pursue a policy of "You make it, we take it", that we recognize that there are difficulties involved, investment decisions to be made, risks to be taken, and we say that that portion of the revenue, which we hope to collect outside of taxation, will be from doing exactly what you are doing. We are willing to invest. We are willing to participate, and we are willing to then get the return that you are getting on the basis of your participation. And we did. And we did not by that, Mr. Speaker, have any reduction in mineral activity in this province, and indeed, if there was a windfall profit to the people of the province because of the value of the metals, the people of the province would have shared equitably in that windfall profit.

But by the philosophy that has been expressed by this Minister, what is the road which this legislation leads to? If the Province of Ontario, or the Province of British Columbia, decides that we are not satisfied with being competitive, we want to be aggressive. As a matter of fact, that's what Manitoba did. Manitoba's tax when we came into power was 7 percent. They were the lowest. Did that result in the most activity? Not at all, Mr. Speaker. It didn't result in any more activity in the Province of Manitoba than there were potential mineral discoveries in the Province of Manitoba. But what if one of these provinces says, "We will, in order to lure you, reduce our taxes from 15 percent to 5 percent, to zero. We will pay you to come here." Then the Minister has led us down this path from which there is no return, Mr. Speaker. From which there is no return, because he has put the people of this province at the mercy, for mineral development, on private mining companies who owe it to their shareholders to get as much as they can out of their mineral resource development, and to leave as little as they can with other people. Why would not that be the case?

Mr. Speaker, when I was a shareholder of the International Nickel Company of Canada, and at that time the Minister of Finance was Mr. Evans, Gurney Evans, and I showed him my share certificate in INCO, and he said, "My, this is interesting." And I said, "I knew that you would find what I have to say to be more interesting when you found out that I was a shareholder of INCO. But that's the people that they listen to, and from the point of view of the shareholders of INCO, Mr. Speaker, and the shareholders of Hudson's Bay Mining, that is an actual event. And that is what you are doing. And I say, Mr. Speaker, that if I was buying shares at the present time, and maybe I will, I would much rather buy shares in the International Nickel Company of Canada than I would in the Province of Manitoba, because the International Nickel Company of Canada are governed by sound business people, and the Province of Manitoba is governed by business nincompoops. That's why. That's why, Mr. Speaker. In every respect. I challenge the honourable member to find me one businessman who had mineral resources, such as are now in his power — one businessman who had mineral resources on land that he owned, that would use this form of activity in order to get those resources developed. He will not be able to find a single one, Mr. Speaker. Whereas I will find you numerous, who will say that if they owned the minerals, they would see to it that before those minerals were taken out, first of all, they got a piece of the action; secondly, they got an overriding royalty; thirdly, if the price of minerals went up, they would get a higher share of the price of those minerals than would be fixed by a straight percentage of the profits of the company.

That's right, Mr. Speaker. I will show you numerous of them, and I will show you numerous transactions in which that kind of thing happened. So my honourable friends' rationale for doing this type of thing is that, if we do not do it, we will not be attractive to the mineral industry in this province. We have to make ourselves attractive. The manner in which we will make ourselves attractive today, is by removing windfall taxes even though they are not paying them. The manner in which we will make ourselves attractive tomorrow, is by doing a striptease and letting them take the minerals for nothing. The manner in which we will make ourselves attractive next week, is to do I know not what, but what I warrant to the people of the province of Manitoba I will not do, says the Minister of mines, is to use the collective wisdom, the collective strength, the collective knowledge, and the collective power of the people of this province, to see to it that there is mineral development, whether we are attractive to the private mining industry or not.

That the Minister will not do, Mr. Speaker, because he's got on ideological blinkers which he cannot remove and which, by the stated position that he has taken in this House, makes it impossible to see to it that the people that he is supposed to represent, receive a fair share of the return of the wealth which they possess, and which he appears to be headlong anxious to get rid of without a fair share going back to the public.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, I move, seconded by the Honourable Member for St. George, debate be adjourned.

MOTION presented and carried.

BILL NO. 61 — AN ACT TO AMEND THE RETAIL SALES TAX ACT

MR. CRAIK presented Bill No. 61, An Act to Amend The Retail Sales Tax Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, Bill 61 is the bill which changes the requirements of The Sales Tax Act to make the accommodations that were announced in the Budget. That includes a number of the accommodations that were announced. There are a few remaining which are done by way of change of regulation, but the ones that are contained in Bill 61, Mr. Speaker, of course, are the ones listed here. They're the change in the restaurant meal exemptions from \$3.00 or less to \$4.00 or less. Mr. Speaker, it also allows the change which will allow safety equipment which is purchased by employers, to be made without sales tax as well as the direct purchases by employees, and this is a convenience for provision of the purchase safety equipment which can then go on to the employees.

Mr. Speaker, it also makes those changes in exemptions with regard to used clothing and footwear, and also it goes on and includes the changes that will allow the exemption of the firefighting equipment purchased for exclusive use by municipalities or local government districts or Indian bands and so on, including the pumpers, ladders, aerial equipment and other matters.

And also, of course, Mr. Speaker, the other matter which I have to assume is an oversight in the past and perhaps didn't come to surface until this year, there was theoretically a tax on sandbags and that is removed by the bill as well.

Mr. Speaker, there are some other things as I mentioned, such as the children's clothing, granaries, snowblowers and other matters of equipment, farm equipment, that can be changed by regulation. So in total, Mr. Speaker these are the necessary changes that bring about, not matters which are large in terms of total dollars, but are nevertheless important to individuals, and it has been the course of this government to make these changes as we go along and spot them as being of particularly an area that in general, there is agreement that it would not be in the general best interest to continue the taxation of these items.

So Mr. Speaker, that's the contents of Bill 61, and I recommend it to the House.

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

MR. CHERNIACK: Mr. Speaker, I wonder if I could ask the Minister a few questions?

MR. SPEAKER: Order please. The honourable member can ask questions of clarification only.

MR. CHERNIACK: Mr. Speaker, I'd like to ask the Minister of Finance if he could clarify the reason that the employer is now being given an exemption in connection with safety goods. I assume that those goods are features which the employer is required to purchase, or is it optional, will the deposition relate to optional purchases or those which are required by legislation to be used? And secondly, would that therefore be material purchased by the employer which would be a tax deductible expense for income tax purposes? —(Interjection)— Mr. Speaker, the Honourable the Minister of Finance asked if I have any more questions and I do have questions relating to the change in the exemption on children's clothing, which the Minister explained is by O/C and therefore is not in legislation. I don't know whether you, Mr. Speaker, or the Minister of Finance would object to my asking questions relating to that feature.

MR. SPEAKER: The Honourable Minister of Finance on a point of order.

MR. CRAIK: Mr. Speaker, I think on a point of order what we're getting into, if it's a series of questions, is really a second reading by stages, and I think that if we start in here, we're starting a new trend in dealing with bills at second reading. Normally, these sorts of things are done, the member raises at second reading questions that he may have with the bill and if there are specifics not answered, there's the committee stage, of course, where there is the complete informality of the committee to get at it. But I don't think we should be doing it now.

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

MR. CHERNIACK: Thank you, Mr. Speaker. I do agree with the Minister of Finance, and the reason I raised that point is in relation to the fact that the features I want to discuss relate to something which is not in the bill itself, that is, the retail sales tax exemption on children's clothing, the definition being changed by Order-in-Council. I just wanted to know whether the Minister would object to my asking questions and I'm quite prepared to do it in speaking on second reading and then he could respond to them later.

It's just to clarify his willingness to discuss that aspect. I assume from that he is willing and therefore, Mr. Speaker, the time being as it is I will wait until another occasion.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, I move, seconded by the Honourable Member for St. George, that debate be adjourned.

MOTION presented and carried.

BILL NO. 32 — HOSPITAL CAPITAL FINANCING AUTHORITY AMENDMENT ACT

MR. CRAIK presented Bill No. 32, An Act to Amend The Hospital Financing Authority Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, Bill 32 formalizes the practice of the declaration of a personal care home and other care institutions to be declared as hospital in order to come under the capital financing authority, and that is the basic content of Bill 32. This has, of course, been done I gather for many years by some method of formal Order-in-Council to do that, and this formalizes basically in legislation what has been a practice by other means for some years.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: The hour being 4:30, we are now in Private Members' Hour. The first question in Private Members' Hour on Monday is Resolutions. The Resolution of the Honourable Member for St. Matthews, and the amendment of the Honourable Member for St. Vital. The Honourable Member for St. Matthews has four minutes remaining.

RESOLUTION NO. 7 — CAPITAL PUNISHMENT

MR. LEN DOMINO: Mr. Speaker, I believe that I've already made myself perfectly clear on this matter. I firmly believe and have stated so on two occasions in this House and offered reasons for my beliefs. I firmly believe that the death penalty reaffirms and strengthens the value of human life. And that's why I honestly believe that we should bring back capital punishment and that it's necessary and that it is a valuable tool which society should have at its disposal.

I note that some of the members opposite have supported me and that there is not unanimous agreement on either side of the House. I also stated in this House on several occasions that we shouldn't be too concerned about the motives when an individual makes a suggestion or an individual offers a resolution, but we should be more concerned about the actual effect. I'm not about to challenge or impute motives to the Member for St. Vital, who's not here this afternoon, but the actual effect of his motion, and I'm not sure what his intention was, but the effect of his motion will lead us to putting aside this issue, if it were accepted, and will not lead to any firm conclusions. And I think that over the next few months of the new federal government, they will be looking for and welcoming some advice on this matter from other citizens and other elected officials in Canada.

The effect of the motion will be that we won't vote on it this year and that we will not be able to make a suggestion either for or against capital punishment to the new Prime Minister and his

new Minister of Justice. That's what the actual effect will be. I'm not sure if the Member for St. Vital realizes that or not, but that's what we're going to be faced with.

The Member for Inkster has stated that he thinks it's interesting that the vast majority — and he conceded that I believe, in his presentation — that the vast majority of people in this country favour capital punishment, but he said, yet it was interesting that, and I think if the Member for Inkster doesn't agree, certainly Gallup and other pollsters and most elected officials I talked to would agree. But yet he said it's very interesting that we seem to elect consistently, men and women who don't favour capital punishment.

I think he's wrong, I think he's wrong in that, particularly in terms of the Manitoba Legislature. I think that the 57 men and women elected by the people of Manitoba, if given the chance today in this House, or sometime this week, would vote overwhelmingly for it, not just members of my party, but members of both parties would vote overwhelmingly for capital punishment and I think we would prove that the Member for Inkster was wrong, that the people do indeed choose individuals, elected officials, who are willing to reflect their views, and who in large part, believe what they believe. I think it's very difficult to get elected in this country in our democracy without reflecting the views of your constituents.

The Member for Inkster may be able to do this on one issue, but I'm sure he would agree on most issues, he believes he reflects an honest reflection of what his constituents think.

So Mr. Speaker, I would ask this House and I would ask the other members to co-operate at this point. I think everybody who wants to say something and who has something new to say, has said it. And I think what we should do right now is, we should vote first on the Member for St. Vital's motion, we should put it to the test and see whether Mr. Green is right or whether I'm right because it's really a matter of opinion. Then we should proceed and we should vote on the resolution.

I'm perfectly willing to accept that this House might say, no, and recommend to Joe Clark, indirectly at least, that by defeating this motion that he leave the capital punishment issue where it is, that he not try to reverse the decision made a few years ago. But I don't believe that will happen. I think that two-thirds, a good full two-thirds, maybe three-quarters of this House would stand up in their places and vote for the return of capital punishment, or at least as the Resolution calls for, urge the Federal Government to bring back capital punishment for first-degree murder. I think that that's what the people want; I've stated over and over again — I think I've taken a full 40 minutes in this House discussing why I believe that, and I think we should have the votes with that, Mr. Speaker, I think I'll sit down at this point. I've said everything that I can say and I would ask members opposite to co-operate, and if they're so sure of their position, their arguments were powerful, maybe they'll win the vote.

MR. SPEAKER: Order, please. The honourable member's time is up.

The question before the House is the proposed amendment to Resolution No. 7. The wording of the amendment is such that this House establish a committee to gather information on the effectiveness of the death penalty as a deterrent.

QUESTION put on the amendment, MOTION lost.

MR. GREEN: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The question before the House is the amendment moved by the Honourable Member for St. Vital that this House establish a Committee to gather information on the effectiveness of the death penalty as a deterrent.

A STANDING VOTE was taken, the result being as follows:

YEAS: *Messrs. Adam, Boyce, Cherniack, Cowan, Evans, Fox, Green, Jenkins, McBryde, Miller, Pawley, Uruski, Uskiw, Walding*

NAYS: *Messrs. Anderson, Barrow, Blake, Brown, Craik, Doern, Domino, Driedger, Einarson, Enns, Ferguson, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McGill, McKenzie, Mercier, Minaker, Mrs. Price, Messrs. Ransom, Sherman, Steen, Wilson*

MR. CLERK: Yeas 14, Nays 27.

MR. SPEAKER: I declare the motion lost.

Are you ready for the question on the main motion, the proposal of the Honourable Member for St. Matthews?

QUESTION put, MOTION lost.

MR. GREEN: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Anderson, Barrow, Blake, Brown, Craik, Doern, Domino, Driedger, Einarson, Enns, Ferguson, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McGill, McKenzie, Mercier, Minaker, Mrs. Price, Messrs. Sherman, Steen, Wilson

NAYS: Messrs. Adam, Boyce, Cherniack, Cowan, Evans, Fox, Green, Jenkins' McBryde, Miller, Pawley, Ransom, Uruski, Uskiw, Walding

MR. CLERK: Yeas 26, Nays 15.

MR. SPEAKER: I declare the motion carried.

RESOLUTION NO. 13 — MEASURES TO STIMULATE ECONOMIC ACTIVITY

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would move, seconded by the Member for Lac du Bonnet that:

WHEREAS Manitoba's economy continues to demonstrate serious signs of economic stagnation with about the lowest economic growth rate in Canada, and;

WHEREAS the lack of attractive employment opportunities is reflected in an increase in the outward migration of people and a decrease in the inward migration of people resulting in a net loss of about 10,500 persons in 1978, the second largest loss after Quebec;

WHEREAS any expansion that has occurred is a result of policies and events beyond the jurisdiction of the provincial government including the devaluation of the Canadian dollar, federal quotas on imported clothing, and rising North American agricultural prices;

WHEREAS the Conference Board in Canada has recently forecast a levelling off of employment growth in Manitoba for the remainder of 1979; and

WHEREAS the construction industry has been particularly hurt by provincial government policies and action; and

WHEREAS investment in Manitoba is forecast to be only 0.7 percent higher in 1979 than 1978, the lowest increase of all Canadian provinces and territories; and, which in real or constant dollar terms, is a reduction in the level from 1978.

THEREFORE BE IT RESOLVED THAT the Government of Manitoba consider the advisability of instituting a series of measures designed to stimulate economic activity in the province including: (a) a program of necessary public construction projects such as social housing and nursing homes; (b) a direct job creation program in co-operation with municipalities, school divisions, hospital boards and community service organizations providing useful work opportunities for the unemployed including those on welfare and unemployment compensation.

MOTION presented.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I don't think I need to speak too long on this particular resolution because in the proceedings of this Legislature so far this year, we've had ample evidence of information showing a lack of economic growth in the Province of Manitoba.

We've had plenty of evidence also in the inability of this particular government to come to grips with this problem of optimum economic growth and, certainly, in the one area and that is the Youth Employment Program.

We've seen considerable incompetence in the administration of one direct job creation program.

I want to make it clear that I'm not opposed to that program whatsoever — in many ways, it was similar to our Jobs in Small Business Program — it's a take-off from it, but nevertheless, I do question the way in which it has been administered, and obviously there's a lot to be desired in the efficiency with which that department has handled applications and the processing of those applications.

So, on behalf of the unemployed in this province, Mr. Speaker, and on behalf of those people leaving the province, and particularly the young people with good training, with good skills, usable skills; on behalf of those who are leaving the province; on behalf of those businessmen who have been facing bankruptcies; on behalf of those businessmen who feel very frustrated because of the negative economic atmosphere in the province; on behalf of all those people, indeed, who want to sell their homes but cannot sell their homes, I suggest that this resolution at least points a step in the right direction towards stimulating the economy.

I'm not suggesting for a moment that this is the entire solution. I am one who believes that if we could get more private investment in this province it would be welcomed. I'm one who believes that if we could get worthwhile industrial development going, this would certainly be welcomed. But at the same time this is not happening and it seems to me that given the fact that unemployment has risen again, there is some merit in the government considering, at least, stimulating the economy in the ways suggested in the Resolution.

It's very unfortunate, Mr. Speaker, that there are indeed many negative feelings in the province today in the business community. I think we have become very quickly a lack-lustre, almost have-nothing province unfortunately, and with a do-nothing government in terms of getting some action going on the business scene.

I think that I speak for a lot of businessmen in this province, many of whom I've talked to —(Interjection)— oh, well, my honourable friend the Premier can laugh, but I can assure him that I too, like he, has opportunity to speak to businessmen, especially small businessmen from time to time, and there is a great sense of, I think, despair at the lack of growth in this province, and you can look at all kinds of figures and statistics . . . If the Honourable First Minister doesn't want to accept my analysis, I can quote him a number of figures which show that the business community has good reason to be despondent, and these are all Statistics Canada Reports. We can take a daily report for Monday, May 28th, which shows that in March 1979, over March 1978, Manitoba had the lowest increase in retail trade of any province in Canada. It was 7 percent. That's comparing March of '79 over March of '78.

MR. LYON: What about the whole year?

MR. EVANS: What about the whole year? Well, the whole year in '78, we had the lowest increase of any province in Canada in retail sales. —(Interjection)— No, in 1978 we had the lowest rate of increase in retail trade of any province in Canada. I haven't got the actual number, but we can get it and I'm sure my statement will hold true.

But looking at the latest information that we've got from Stats Canada, we've had the lowest increase in the latest month available, or if you take March compared to February and put it on a seasonally adjusted basis, you'll see that we're the only province that registered a decline in retail sales. That's when you take the seasonal factors out of it and then you can indeed compare February with March, Manitoba had a decline of 4.9 percent. Even places like Newfoundland had an increase of 4 percent, and Prince Edward Island, Nova Scotia, these provinces had some increase at least, but Manitoba registered a decline in retail trade. So no wonder the small businessman becomes discouraged, Mr. Speaker.

When you look at output of manufacturing, again taking the latest figures from Stats Canada, the first three months of this year compared with the first three months of last year, we find that we had an increase of 21 percent. This was the lowest after Newfoundland and Nova Scotia, and certainly lower than the Canadian average of 23.9 percent.

And we can look at building permits and see where there's bad news there as well. In fact, in the first two months of '79, again this is the latest information I was able to get, Manitoba had a decline of 23.8 percent and I think that was about the worst situation other than Prince Edward Island — oh yes, and Newfoundland.

There's other information on housing starts, where we see that the housing starts in Manitoba — this is urban Manitoba — as reported by Central Mortgage and Housing Corporation — we had a decline from January to April of '79 compared with '78, of 64 percent. You might say, well, there's a downturn in residential construction all across Canada. Indeed there is, but not to the same extent that we've had in Manitoba.

Saskatchewan, for instance, had a decline but it was only 7 percent. Alberta had a decline, but it was only 18 percent, far from the 64 percent decline for Manitoba, or indeed the 30 percent

decline for all of Canada. Manitoba was double the rate of decline for all of Canada.

And you can look almost daily in the newspapers, Mr. Speaker, and read of reports of rather sad times in our economy. There's a report in the newspaper of just a couple of days ago, where it was stated that the Canadian Real Estate Association reported that Manitoba — this was published on Friday, Mr. Speaker — that Manitoba and Prince Edward Island were the only provinces to report lower sales under the multiple listing service in the first quarter of this year compared with the same period of 1978.

There were reports of increases, except Manitoba and P.E.I. Manitoba was down by 20 percent in dollar terms, and P.E.I. was down by nearly 39 percent. All other provinces registered increases. And if you talk in terms of actual number of properties sold, Mr. Speaker, Manitoba had a decline of 24.5 percent in actual properties of real estate. So I say, even the people who want to sell their homes are having difficulty in doing so. So we could continue, Mr. Speaker, and refer to various other recent statistics that are available, and I think one would have to conclude that we are in a state of less than optimum growth. In fact, I would say that we are in a state of semistagnation, and I know the government, the Minister of Economic Development, and others on that side will rise to their feet and take all the credit for the increase in the number of jobs in the last year or so in the province —(Interjection)— the private sector, not the government. Okay, that's fine. That's fine. You know, Mr. Speaker, the most dogmatic person in this House has to be the First Minister, because he continues to insist that we don't believe in any private investment, that we don't believe in private enterprise, that only he believes in private enterprise. I don't think he believes in any public enterprise. I could say that I believe in both private and public enterprise. We live in a mixed economy. We have to recognize that. There's room for both the public and private sector, and as Minister of Industry for eight years, I did my best to try to assist the private sector in this province, so don't speak to me about —(Interjection)— Yes. I've got good advice from the Member for —(Interjection)— Well, I would say that if the First Minister wishes . . .

MR. SPEAKER: Order. Order please. I think we're getting into a situation where we have two or three people trying to speak at one time. I'll recognize the Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I appreciate your interjection to save me from the barbs and jibes and interjections of the members opposite.

The fact is that only in the mind of the First Minister, the Premier, is that this Party, that the New Democratic Party, does not see a role, and a very important role for the private sector, only, I believe, in the First Minister's mind. It's certainly not in my mind, certainly not in the mind of the Member for St. Johns or the Member for Seven Oaks, and indeed there's ample evidence where we assisted the private sector.

I recall back in — I believe it was 1970, Mr. Speaker, where one very significant — and I'm just using this as one small example — where the government, the New Democratic Party Government, assisted a very very important private enterprise organization in Manitoba, namely, Versatile Machinery, when its friend, the Bank of Montreal, with which it had dealt with for many many years, its financial friend presumably the Bank of Montreal, was ready to close the doors on Versatile — I use that term very facetiously obviously — where the Bank of Montreal was going to close the doors on Versatile because Versatile could not collect from its agents, and of course the agents weren't able to collect, unfortunately, because the farmers didn't have the income at that time.

But at that time through the MDC, the Manitoba Development Corporation, we were able to persuade the Bank of Montreal that they shouldn't close the doors of Versatile, and incidentally not only Versatile, but many many other Manitoba private enterprise companies who were suppliers to Versatile, which would have meant overnight hundreds upon hundreds of Manitobans being thrown out of work through this one letter from the MDC, virtually, to the bank, saying that we stand behind Versatile. We stand behind Versatile because it's an important Manitoba company that deserves some assistance and the Bank of Montreal, of course, with the backing, virtually, of the Manitoba government — Versatile having received the backing of the Manitoba government of the day — did not close the doors of Versatile. The bank, of course, continued to accommodate Versatile and Versatile continued to operate. It eventually collected its accounts and eventually straightened out its financial affairs. It never took one red nickel from the MDC. —(Interjection)— Well, it didn't take a blue nickel, either. It took nothing but this letter from the MDC to satisfy the Bank of Montreal that we had some faith in Versatile.

The First Minister can check that if he likes but here is one example where we came to the assistance of a very important company. And I'm pleased to say that it has prospered since then and may it have many long years of successful enterprise in the Province of Manitoba.

But you know, Mr. Speaker, it's the First Minister of this province who said, when he was Leader of the Opposition on this side, that the private sector was going to be put on trial. The private sector was on trial. I don't think we ever said that the private sector had to be put on trial. But they were going to be put on trial. The Conservatives would come to office, and they were going to have to perform because this government was going to change taxes in a significant way to allow business to flourish in this province.

There have been some tax changes but we haven't seen anything of that significance to cause any new industries of any importance to come to Manitoba. —(Interjection)—

MR. SPEAKER: Order please. The honourable member has five minutes.

MR. EVANS: Thank you, Mr. Speaker. Well, there are these new jobs that the Premier speaks of, but let's recognize the reality of the situation. The reason for employment and growth in Manitoba was because of the protection afforded by the devaluation of the Canadian dollar. And there were jobs expanding right across Canada in the same period of time. So we have had some growth in manufacturing in Manitoba, but we've had growth in manufacturing in all provinces. As a matter of fact, we had the second lowest expansion of manufacturing employment, I believe, of any province in Canada.

So the government likes to take credit for this increase in jobs, but I say you've got to look to what happened to devaluation; you've got to look at the quotas on imports on clothing, and you have to look at what happened to North American farm prices, because they did provide a stimulus to our farm sector, thankfully, and they did increase cash receipts of Manitoba farmers. And this, in turn, stimulated our economy. But not due to this government. These are factors completely external to the jurisdiction of this government.

So there is nothing that this government can point to to indicate any positive results. The Premier went to Europe to talk to some industrialists, but he didn't come back with any news. I hope he didn't talk to anybody in the category of Mr. Kasser or Dr. Kasser. I trust he hasn't gone to that extreme. But, you know, he didn't come back with any news of some new manufacturing enterprise that would establish in Manitoba of any significance, and indeed the Minister of Economic Development has not, to my recollection or knowledge, has not come up with any statements of any significant economic development in this province. All those figures he is quoting are from Stats Canada, which is the only source we have, and I say those jobs were created by the devaluation of the Canadian dollar and had nothing to do with this government, nothing to do with the Minister of Economic Development.

But I also see many signs, as I stated, of stagnation, low levels of investment, unemployment increasing. And what disturbs me, you can point to an increase in investment, Mr. Speaker, but the problem is that after you take the inflation out of the private investment, forgetting about the public investment for a moment, you take the inflation out of it and we actually see a lower level of spending on investment in this province this year, compared with last year. So, all in all, I can't see any economic growth occurring in this province and I can't see any signs of any policies that this government has brought in to bring about any significant economic growth.

So therefore I would suggest that the policies of the government are failing. There has been no line-up of entrepreneurs to come into Manitoba now that the succession duties have been eliminated. There has been no indication of anything happening in the area, a very important area, of manufacturing.

So I suggest, Mr. Speaker, that this resolution is not the answer. I'm not pretending it should be the answer, but it would provide some stimulus to the economy. It would provide a stimulus to the business sector. It will provide a stimulus via the wage payment that would be made, which ultimately will have a positive effect on the economy in general.

I see you are about to indicate that my time is up, so I won't go into some other material that I have here, at this time, but indicate, in conclusion, that if I could see some real turn around in the economy, if I could see some upswing, well, maybe there is no need for such a resolution or such a policy move as suggested in this resolution. But the signs are not there. Indeed, unfortunately, Mr. Speaker, the signs are for continued slow growth and, as I said at the beginning of my remarks, the signs are there for a drop-off, a fall-off in the rate of employment creation. Only the future will tell, but I think my remarks will be borne out in the months ahead when the statistics become available to us.

Thank you.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I am very pleased to be able to spend some time on this resolution

today, especially when we have a Section (a) in the Resolve that says, "A program of necessary public construction projects such as social housing and nursing homes."

I would also like to say there is none so blind as those that can see and don't see. Mr. Speaker, the honourable member keeps insisting, as I have told him from time to time and I think I had the opportunity again today to have some discussion with one of the honourable members over there, that they just will not listen to what they are being told. The public housing market at the present time, the province owns or will own by the end of 1980, one subsidized housing unit owned by the province for every 84 people in Manitoba. We will have a turnover of 35 percent each year in the public housing. We have a total of 12,802 units that will be completed. We have a turnover of 10 percent in the senior citizens accommodation.

We have started into the non-profit program of the federal government. We have indicated to you that we are looking at a program that is for senior citizens, that is being studied with the White Paper right now, similar to B.C.'s, and I'm encouraged to believe that it's still moving ahead very steadily.

So, Mr. Speaker, when the honourable member talks about building public housing, the problem that we have is that, other than the core area of Winnipeg, we are having trouble filling units, and at the present time we are building in the core area of Winnipeg and have been steadily for two years. I repeat, Mr. Speaker, that the present government has built or has committed to build and has started to build more units in the core area of Winnipeg in two years than the previous government did in eight.

Now, that is fact. I produced those figures in my Estimates and nobody argued with it. I assure you that the figures are there. As a matter of fact, I will send it to all the honourable members. I will list the projects, the addresses, the number of units that you built and the number that we have built.

So, you know, when he says build housing, we have a program going on at the present time. —(Interjection)— No, we were allowed \$14 million from the federal government for the Province of Manitoba in 1978 and we used it. We used it. The \$22 million previous to that, we used it. We used it in the Province of Manitoba.

Mr. Speaker, there are lots of units on land that was not bought by the other side, and I will give you those addresses, too. Honourable members opposite, such as the Member for Kildonan and the Member for St. George and Ste. Rose and the Member for Flin Flon ought to be very careful when they are agreeing with the Member for Brandon East, because the figures are there to prove it. I assure you they are there to prove it. Mr. Speaker, they are there.

Mr. Speaker, if the Member for St. George is saying we did not build, in two years, more units in the core area of Winnipeg than he did, he is wrong, and I will give him the figures. —(Interjection)— I will be happy to; I will be happy to.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Could the honourable member indicate in the construction of all these units in the inner core of the City of Winnipeg, did he not inherit a large amount of land that was put in place as a basis for the construction of housing in the inner city? Because the problem had always been to be able to obtain the actual land sites, the building sites. Is it not the case that all that land was assembled and prepared for you so that you could engage in an inner-city housing program?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: I don't want my time used up, Mr. Speaker, with nonsense. We have only used two of the expropriated properties, or maybe three. Because I came in as Minister and I said I won't build on expropriated property until I know what we are going to pay for it, and we're in lawsuits up to our ears with the property which cost us probably \$100,000 for the LARC committee we've had to put together to have them estimate what it will cost us.

Mr. Speaker, this government on the other side — when they were government, stood in the office in two occasions and just wiped out people's property without even asking them. They just said, we will expropriate it. On two occasions they just took it.

We didn't use it all, Mr. Speaker. We still have some. . And we still don't know what we are paying for a lot of it at the present time. —(Interjection)— Yes, well fine. You took one little old lady's property who didn't want to sell. —(Interjection)— You just took it. Well, Mr. Speaker, the facts are there. I have the list. The lists are there. —(Interjection)— Be happy to.

Mr. Speaker, I would like to now say that the honourable member when he talks about the economy, he keeps carrying on about the economy, he keeps quoting figures, and the only thing

he ever says is inflation. He says the only reason that — I mean the dollar value, the only reason manufacturing in Manitoba is up in dollars is because of the Canadian dollar value.

You know, Mr. Speaker, 75 to 80 percent of the businesses in the province of Manitoba are 25 people or less. They are not really that involved in the exporting at this point. They are small companies doing business within Canada, in the province of Manitoba. Most of them are working right within this area.

And now, Mr. Speaker, in agriculture, in April 1979, the current month, we had 42,000 people working. In the previous month we had 39,000 people working. We were up 7.7 percent in the change, and the same as last year we're up 7.7 percent employment in agriculture this year.

Primary industries — we are up 14.3 as of the end of April of this year over last year.

In manufacturing we're up 10.3 over last year.

In construction we are down. We are down minus 7 percent.

The honourable member talks about the building permits in housing. We were up something like 32 percent in housing in 1978 over 1977. We have all kinds of units for sale. We have all kinds of units for rent and the honourable member says that the people should go out and start building more units at the present time.

He talks about office building construction — we've got office buildings empty in Winnipeg that are just waiting for people to move into. They've never had anybody in them, Mr. Speaker. And this group over here thinks that we should go out and build more government buildings. And they agree with that. They agree with that because they prefer to have everybody relying on the government. They'd build more government buildings. They would have them standing idle, and they'd cut the rents on the private industry, and the private people, and generally try to move them out into their own way, and have them work with them.

We have all kinds of accommodation and office space out there at the present time. But, Mr. Speaker, I'll tell you what we haven't got that's happening in the province, at the present time — we haven't had, or we haven't had for a long time, expansion of industry in the Province of Manitoba. And right now most of your construction companies, who are involved in expansion of industrial plants and buildings, are busy. And if you make a survey of them you'll find that expansion is happening this year, and they wouldn't do it before. The climate wasn't there before. They're now saying, Manitoba has the climate to expand. Mr. Speaker, go down, have the honourable member go down to the DREE office or down to the Federal Industrial Bank office, and find out the percentage increase that they have down there of people showing interest in expanding or coming to the Province of Manitoba.

And it's happening every day. They are coming to Manitoba regularly and showing interest in the Province of Manitoba. Yes, Mr. Speaker, the insurance and real estate and service, it is down in employment. We are up by 5.8 percent over last year in the service industry. We dropped from the previous month.

But, Mr. Speaker, the Province of Manitoba in 1977 public investment, \$759 million. The 1978, just to make it very clear to you, we were up 25.8 percent, and the Canadian average on private investment was 16.1. This year it does not look as rosy, but I assure you we will do better than the .07 that has been estimated by the group that the honourable member continues to quote. The Conference Board of Canada made a prediction on Manitoba last year,

A MEMBER: Yes, they were way out.

MR. JOHNSTON: Yes, they made a prediction of 2. something, and we ended up 8.5. And I assure you that we're moving that way in this particular year, Mr. Speaker.

But the honourable member just talks about Versatile. I'd like to inform the honourable member that they went down to United States, and at the present time they're making plans to move back to Manitoba. There is no question that they are coming back into Manitoba with expansion of their plants in this province. There is no way that the honourable member can deny the fact that the Versatile situation with them was a bad situation. One of the other reasons the honourable member for the other side doesn't seem to realize its companies would come to Manitoba, and they would want to do some investing here or they would want to expand in Manitoba, or mainly come to Manitoba. And your larger companies would come along, Mr. Speaker, and the honourable members on the other side, you know, they kept saying, oh gosh, corporate bums. Our people from the national NDP kept saying, "corporate bums" and they had to be very careful of that.

But you know, they wheeled and dealt themselves with companies. It's on record — the records are there. But, Mr. Speaker, one of the reasons that they lost out most of the time is, they would say, "We would like to have an equity in your business, we want shares." And the large corporations that create a lot of jobs that would suit in Manitoba, they said, "We can go somewhere else — we can go down to North Dakota and we can have somebody work with us down there and they

won't want shares in our business. We can go down to the southern United States where they offer municipal bonds, where they offer incentives." If you get on the Trans-Canada Airline today, or Air Canada, you will see that Oklahoma advertises, and what they're going to give away. But they would say, you know, we don't have to. We don't have to.

Ontario's last Budget put \$200 million in the Budget, Mr. Speaker, to attract industry and they're not asking for equity. They're not asking for equity. —(Interjection)— Mr. Speaker, there was absolutely no question about the fact of the policy of the previous government when they were dealing with people. They were very proud, or they said we wouldn't deal with these people, but they were working with them all the time, Mr. Speaker, and they were always saying, we would like part of the action.

What company really has to give a government part of the action when they're a national company, Mr. Speaker?

MR. SPEAKER: Order please. The hour being 5:30, I am leaving the Chair to return at 8:00 o'clock.