

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Wednesday, May 20, 1981**

**Time — 10.00 a.m.**

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

**ORAL QUESTIONS**

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

**MR. SAUL M. CHERNIACK:** Thank you, Mr. Speaker. I think that a nice early morning start for the day would be to ask the Minister reporting for Hydro whether he has had any discussions at all with Mr. Kristjanson relating to the letter which he sent to Aikins & Company, the reply for which invited the Chairman of Hydro to pursue the answers to the questions from Mr. Steward Martin.

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, I have no further information to relay to the House at this point.

**MR. CHERNIACK:** Mr. Speaker, I'm wondering if the Minister would care to reply to my question which was, has he discussed this matter with Mr. Kristjanson.

**MR. CRAIK:** Mr. Speaker, I have no further information to relay to the House at this point.

**MR. CHERNIACK:** Mr. Speaker, in view of the Minister's insistence on continuing to stonewall and to refuse to answer legitimate questions being asked in regard to the business . . .

**MR. SPEAKER:** Order please. Order please. This is a period for seeking information. If members want to make statements I suggest that this is not the time to do it.

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

**MR. CHERNIACK:** Thank you very much Mr. Speaker. I premise my remarks by saying in view of and it's not a speech, but rather an indication of the need to press further. Because of the fact that the Minister is not responding to the question, not replying to the question, I ask him again whether he is at all interested in learning from the counsel of Hydro what is the truth in relation to the draft letter which was presented to the legal opinion that was given and to the fact that he himself has been guilty of denying information to the people of Manitoba

and particularly to the members of the Legislature who represent the people of Manitoba.

**MR. CRAIK:** Mr. Speaker, if there has been any information denied to this House it has been on the part of the members opposite in their presentation of this entire matter in the calculating and conniving way they went about trying to display this document that they refer to, first of all, is a legal opinion; secondly, is a letter; and thirdly, what turned out to be a resignation.

Mr. Speaker, when information is available, as I have said on many occasions before, the matter that exists between the lawyer and the client will be dealt with by the lawyer and the client. The recommendations from the House are known to the Utility. When there is information available it will be passed on to the members of the House.

**MR. SPEAKER:** The Honourable Member for The Pas.

**MR. RON McBRYDE:** Mr. Speaker, my question is to the same Minister on a different subject matter, which is to clarify some questions that I asked last week. I wonder if the Minister could indicate whether ManFor or any of its agents send out invitational tenders for 1,700 tons of structural steel.

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**MR. CRAIK:** That question was dealt with, Mr. Speaker, I don't know whether the member was in the House when I answered it. The answer to it was no, that ManFor has not been calling tenders for steel.

**MR. McBRYDE:** Mr. Speaker, in light of our experience with this Minister in answering questions, I would like to be very very specific to this Minister. Did ManFor or any of its agents, anyone representing ManFor, send out invitational bids for structural steel?

**MR. CRAIK:** No, Mr. Speaker, neither ManFor nor its agents have been ordering structural steel.

**MR. McBRYDE:** Yes, Mr. Speaker, to the same Minister. Has ManFor or any of its agents been contacting suppliers of different supplies necessary for extensive construction at ManFor?

**MR. CRAIK:** Not that I have been made aware of, Mr. Speaker. The member may be referring to others who have been looking at the possibility of doing something with regard to the project who may have been looking at the markets.

**MR. SPEAKER:** The Honourable Member for The Pas with a new question?

**MR. McBRYDE:** No, Mr. Speaker, with my supplementary question to the Minister. I wonder if the Minister could indicate whether any of its ManFor

agents, anyone acting on behalf of ManFor, to make it perfectly clear, has been contacting suppliers for new construction at the ManFor site at The Pas?

**MR. CRAIK:** No, Mr. Speaker, neither ManFor nor its agents have been ordering structural steel for the project at The Pas.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Mr. Speaker, I direct the question to the Minister of Agriculture. Approximately a week ago I asked whether the Minister could possibly envision the need for Supplementary Supply by virtue of the climatic conditions in the Province of Manitoba, and at that time he did not feel that that would not be necessary. Has there been any change by virtue of the continuing dry conditions as to whether there will be such a need?

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, if I recall the question by the honourable member, I said at that particular time that the moisture conditions were somewhat better than last year and that it would appear there wouldn't have to be at that particular time. Since that we're one week further into the summer season and we still haven't received any rainfall and again one week with hot dry weather does change the growing conditions very significantly, and again at this point the livestock industry, particularly the beef herds and dairy herds which would rely on the pastures and the hay crops, may be an area that might need addressing very shortly. However, I still can't see any major requirements at this particular time. If we remember last year's experience, Mr. Speaker, the major programs that cost the money were introduced about the 20th of June I believe, so we still have some time in that regard.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Yes, Mr. Speaker, a supplementary question to the Minister of Finance. In view of the fact that the Minister of Natural Resources is not in his place, but the Minister of Finance, I expect, would be acquainted with the subject as well; I put the same question to the Minister of Natural Resources with respect to the possible need for supplementary supply vis-a-vis forest fires and I would ask the Minister whether there is any new information that he could give to the House as to whether or not there is a likelihood that that will be necessary in view of the continuing dry climatic conditions?

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. BRIAN RANSOM (Souris-Killarney):** The latest information that I have, Mr. Speaker, would be no, but the situation as the Member knows can change very quickly. I believe the report yesterday

was that there were 40 fires burning in the province and that all those were under control, which of course is a much better situation than we were experiencing a year ago. The members will recall it was on the long weekend in May a year ago that the serious fire got into the Porcupine Mountain and the Wallace Lake fire started. We also had some more money budgeted this year in the regular Estimates than we had previously, so we would not be pressed quite as early as we would have been last year.

**MR. GREEN:** Mr. Speaker, may I ask the Minister of Finance a further supplementary question as to whether or not it is his intention to bring in the need for Supplementary Supply before the end of this session, forecasting of course as to the session ending some time in the near future?

**MR. RANSOM:** It is not the intention at the moment, Mr. Speaker, but with weather conditions being what they are I can't anticipate even on a day-to-day basis what the requests might be from the Department of Natural Resources.

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

**MR. LAURENT L. DESJARDINS:** Mr. Speaker, my question is to the Minister of Education. There is concern that a field house complex to be built at the University of Manitoba might not meet the needs of the handicapped people. Would the Minister assure the House that the construction of this complex will not be allowed or permitted until he is satisfied himself that the needs of these people will be met?

**MR. SPEAKER:** The Honourable Minister of Education

**HON. KEITH A. COSENS (Gimli):** Mr. Speaker, I can give the honourable member that assurance.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Yes, Mr. Speaker, in view of the fact that the Minister of Natural Resources has now entered the House, I wonder if I can repeat the question to him that I put to the Minister of Finance and ask him whether it is still a fact that, as he indicated a week ago, he doesn't anticipate a need for Supplementary Supply in connection with his forest fires in view of the continuing dry conditions.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. HARRY ENNS (Lakeside):** Mr. Speaker, yes, that is basically the situation as I believe the Minister of Finance responded to him.

Mr. Speaker, while I am on my feet I can perhaps just indicate to the honourable members that as of yesterday we had some 40 fires burning and of which all are being actioned. There is only two fires that we would consider being not totally under control. These are small in nature and that compares very favorably to this time last year.

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

**MR. HARVEY BOSTROM:** Mr. Speaker, my question is to the Minister of Mines. I would like to know from him if he has made any plans for the proposed meeting of legislators with him and his staff and people from the mining company that will be involved with the potash development in Western Manitoba?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**MR. CRAIK:** Mr. Speaker, I have spoken to the IMC people as they left the other day and said that if we could arrange a suitable time we would like to ask them if they could make some available and that they said that they would advise on who would be available for these purposes. When I have an answer back from them I'll try to arrange a suitable time for the members to have a briefing by both the government and the IMC people.

**MR. BOSTROM:** I have a question for the Minister of Education, Mr. Speaker. With respect to the policy of the Department of Education with respect to the eligibility of Treaty Indians for Manitoba Government Bursary Assistance while attending schools and colleges in urban areas, I would ask the Minister if it is the policy of the government to extend the Manitoba Government Bursary Assistance to Treaty Indian students while in attendance at these institutions and if not, if the government has a qualification on that, how long does the Treaty Indian student have to be a resident of say the City of Winnipeg before they would become eligible for bursary assistance?

**MR. SPEAKER:** The Honourable Minister of Education

**MR. COSENS:** Mr. Speaker, if they are a Treaty Indian, then they do not receive bursary assistance. As to the length of time that they must be off the reserve before they qualify for bursary, my understanding is one year.

**MR. BOSTROM:** Mr. Speaker, I'm informed of one case where a Treaty Indian student, who has been a resident of the City of Winnipeg for some 10 years, was refused assistance by the Manitoba Government for bursary purposes with the excuse that they are Treaty Indians and therefore their costs would be covered by the Federal Government. I would ask the Minister if this is a practice of the government that they would refuse assistance to a person like this, and if not, what would be the appeal procedure for a student who is faced with this kind of a notification by his department?

**MR. COSENS:** Mr. Speaker, if the honourable member will give me the student's name, I'll have the matter checked out.

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

**MR. A. R. (Pete) ADAM:** Thank you, Mr. Speaker. To the Minister responsible for Natural Resources. The Minister undertook during his Estimates to provide me with information on recreational lots for sale and also the sale of Crown lands on a regional

basis. I wonder if the Minister can advise when he will have that information for me?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**MR. ENNS:** Mr. Speaker, I did undertake to provide that information to the honourable member. This information is readily available on a computer printout and I apologize to the honourable member for not having provided him with that information to date. I will ensure that he has it, hopefully perhaps within a day or two.

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

**MS. JUNE WESTBURY:** Mr. Speaker, my question is addressed to the Minister for Urban Affairs. In view of the fact that the Mayor of Winnipeg has announced that the Core Area Initiative Plan includes a housing component, I wonder if the Minister would advise the House as to what other components we can expect in the announcement of the Core Area Plan?

**MR. SPEAKER:** The Honourable Minister of Urban Affairs.

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, I had a discussion with the Mayor yesterday, not specifically with regard to the speech he was to make last night I believe, to the Trades and Labour Council which had been organized some time ago on the basis that the Core Area Initiative would have been announced by yesterday evening and he would have had an opportunity to speak on the whole plan. My understanding from him, Mr. Speaker, was that he was just going to speak in general about the Core Area Initiative; I don't believe he made any specific announcement.

**MS. WESTBURY:** Mr. Speaker, the news reports indicate that he did announce a housing component. Would the Minister confirm that there is a housing component?

**MR. MERCIER:** Mr. Speaker, the Memorandum of Understanding that was signed between the Mayor and the Federal Minister and myself, I think specifically identified in general the housing component.

**MR. SPEAKER:** The Honourable Member for Rossmere.

**MR. VIC SCHROEDER:** Thank you, Mr. Speaker, a question to the Minister of Education. Has he had a meeting yet with a representative of the River East School Division to discuss the matter of a pilot project for a German immersion course for September of 1981.

**MR. SPEAKER:** The Honourable Minister of Education.

**MR. COSENS:** No, Mr. Speaker.

**MR. SCHROEDER:** Is it his intention to have such a meeting and to provide funding for that pilot project,

as previously done for other language immersion courses in other school divisions?

**MR. COSENS:** Mr. Speaker, I have had no request for a meeting until this date.

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

**MR. SCHROEDER:** I understand, I am reliably informed, that there will be a request very shortly; last week I was told that it was going to be early this week. When the request does come, I would encourage the Minister to do whatever he can to encourage that division to go ahead with that project with government funding.

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

**MS. WESTBURY:** Mr. Speaker, I have a question for the Minister of Economic Development. I wonder if the Minister can advise the House when he expects the in-depth study on Co-op Implements to be completed and a report made to the House.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I will have to take that question as notice. The in-depth study for Co-op Implements was not done by the Department of Economic Development. I think probably the question should be referred to the Minister of Sports, Recreation and Co-ops, who has been working with Co-ops.

**MS. WESTBURY:** Mr. Speaker, would the Honourable Minister for Fitness and Sport be kind enough to answer the question?

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, my staff, along with the staffs of other governments, the Government of Saskatchewan, the Government of Alberta, are examining the operations of Co-op Implements and are examining the proposal put forward by the administrative committee that has been established to look after the company. Once an agreement is reached with regard to the course of action that the three governments at the provincial level and the Federal Government are ready to undertake with regard to Co-op Implements, we will be making an announcement.

**MR. SPEAKER:** The Honourable Member for Fort Rouge with a final supplementary.

**MS. WESTBURY:** Mr. Speaker, does the Minister expect that report to be available before the end of the current session?

**MR. BANMAN:** Mr. Speaker, I'm not quite clear what the member means with regard to the report. We are reviewing the operations of the company. The company is right now in the manufacturing as well as the retailing end as far as farm equipment is

concerned and any reports that are done are not of a nature that would be tabled in the House here. It's a detailed analysis of the company's operation and I don't think the member or any members of the House would want to release that type of information so that other competitors in the field could make it available to themselves.

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

**MR. D. JAMES WALDING:** Mr. Speaker, my question is to the Minister of Communications. I asked him a question about two weeks ago that he took as notice. I wonder if the Minister can now inform the House whether the government has a policy on the public availability of the Board minutes of Manitoba Telephone System?

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. DON ORCHARD (Pembina):** Mr. Speaker, the Member for St. Vital did propose that question and I can inform him that it is policy to allow public access for perusal of Board minutes.

**MR. WALDING:** Mr. Speaker, I would like to ask as a supplementary to the same Minister whether the public are allowed at normal working hours and are copies provided by MTS for any person requesting the same?

**MR. ORCHARD:** Mr. Speaker, during normal working hours, yes, the minutes are available upon request for perusal but there has been no request and no request complied with to provide copies with which an individual could receive copies of the minutes. The perusal has been at the request of individuals in the Manitoba Telephone System executive offices of the minutes that are available and on file.

**MR. WALDING:** A final supplementary, Mr. Speaker. I didn't ask the Minister whether there had been requests for copies; I am asking the Minister whether government policy would permit or require the system to provide copies of a page or two if it were requested by the person inspecting the books.

**MR. ORCHARD:** Mr. Speaker, the policy by the system which we have no argument with has been to allow a perusal of the minutes. They have not been providing copies of pages or sets of minutes to people upon request. They have made full access to the minutes to anyone desiring access to them to read them and peruse them. Copies have not been made available, photostat or otherwise, in the past.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** You don't know how long I've been waiting to hear you say that, Mr. Speaker. My question is to the Minister responsible for the Medivac system and the airstrips in the province and I gave notice to the Minister yesterday that I would be asking a question in respect to a letter which was sent to the Leaf Rapids Town Council outlining some

difficulties that the chief pilot of the air division felt the air division was experiencing with landing the Citation jet at that airstrip and informing him that they were unable to land that jet at that airstrip on occasion. I have to hasten to add that the situation was the same with the MU-2, so it is not a situation where it is a jet that is a problem but it is the airstrip that is a problem and I would ask the Minister if he can indicate what action he will be taking in respect to the problems which are currently being experienced and denying at the present time that community full access to the medical evacuation system.

**MR. ORCHARD:** Mr. Speaker, the Leaf Rapids airport is a somewhat different airport, as the Member for Churchill knows, from other airstrips that are under the jurisdiction of the Department of Highways and Transportation. It is an airstrip operated by the local government district . . . in the case of Leaf Rapids. What we have been doing for the past several years and indeed under the previous administration, is providing them with an airport operation grant. This year that grant was just recently paid out to the tune of \$12,000, if my memory serves me correctly.

The problem we are experiencing is not a new one this year, it has been one that tends to recur on that airstrip at spring break-up time with the strip softening and frost-boils coming out with spring break up. I am advised by the air division that the airstrip currently is in a rutted condition with fair amounts of loose gravel on it and it makes it unsatisfactory for the landing of not only the air ambulance but indeed other aircraft. We are making a suggestion to the Airport Commission that they undertake a shaping and compaction program in the course of the maintenance that would take place at the end of spring break-up and with this grading and shaping and compaction the airstrip would be adequate, as it has been at other times of the year for use by the Medivac aircraft and other aircraft in the government air division.

**MR. COWAN:** Mr. Speaker, as that community is a mining community and therefore there is a potential for mining accidents, that being a high-risk industry, it would seem to me that it is essential that airstrip be operational at all times for medical evacuation purposes.

**MR. SPEAKER:** Has the honourable member a question?

**MR. COWAN:** I certainly should, Mr. Speaker, I waited so long to give it. The question to the Minister is . . .

**MR. SPEAKER:** Order please. It is a courtesy in this Chamber for members to address themselves courteously to all members in this Chamber and I hope the honourable member would follow that suggestion.

**MR. COWAN:** I do apologize to you, Mr. Speaker, it is merely a symptom of the frustration which I had experienced earlier in the question period. But my question to the Minister of Highways is: Is he prepared to investigate fully other avenues which are

available to him as Minister responsible for the airstrips in the province to ensure that airstrip is upgraded to the point where it will be operational on a year-round basis and accessible to all high performance aircraft on a year-round basis as it is extremely necessary to that community that they have full and full-time access to medical evacuation services?

**MR. SPEAKER:** The Honourable Minister of Transportation.

**MR. ORCHARD:** Mr. Speaker, as I mentioned in my first answer, that airstrip for a period of time, and it's not a long period of time, does undergo a spring break-up period. That, I'm advised, is something that can be remedied with not a major reconstruction, it's a matter of doing some shaping with the grading equipment and particularly in the case of the frost-boils and the soft spots in the airstrip to follow it up with a compaction and that should, Mr. Speaker, render that airstrip to be more than serviceable for all of our aircraft in the air division. What we are going through right now is a situation where we have a temporary circumstance where the airstrip is indeed in less than suitable condition.

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

**MR. COWAN:** Yes, the question must remain, Mr. Speaker, does the Minister anticipate that this problem and difficulty with the airstrip will reoccur on a yearly basis as each year we have spring break-up, and if that is the case, is the Minister not prepared to more fully investigate ways and means by which the government can give some support to the community so that they can upgrade that airstrip to make it more accessible on a full-time basis; a request I might add which has been long-standing on the part of that community to the present Minister of Highways and Transportation?

**MR. ORCHARD:** Mr. Speaker, the member is correct, the Airport Commission has had that request before myself. I might also add that request was made in 1974, and it was in 1974 that an investigation by the district office of the Department of Highways made indicating what the potential improvements could be and those improvements ranged from a fairly substantial movement of sub-soil material and earth and a general reconstruction plus a contemplated surfacing of the strip. That goes back to 1974 with some fairly definitive discussions taking place in 1975. However, neither the previous administration nor myself as Minister have to date come to the conclusion that the kind of dollars that were indicated in the 1974 investigation are available for expenditure at this time. I might add that the airstrip is servicable the other times of the year, and this year apparently, due to circumstances which I can't answer for, the problem is somewhat more severe than other years. It is a temporary problem and will be remedied.

As for major reconstruction, that is one of the issues that we no doubt will have to address in formulating next year's Estimates as the previous administration did in formulating their Estimate process from 1974 on, having that request being made by the community.

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

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, my question is to the Minister responsible for the Environment. Can the Minister responsible for the Environment advise whether or not he is obtaining a legal opinion as to whether or not hearings that consumed several days and large sums of moneys, under the Clean Environment Commission pertaining to the City of Winnipeg, are indeed legal and binding upon the city or not?

**MR. SPEAKER:** The Honourable Minister of Consumer and Corporate Affairs.

**HON. GARY FILMON (River Heights):** Mr. Speaker, as the Leader of the Opposition well knows the Clean Environment Commission is set up under this Legislature and has the powers and legal rights and responsibilities and obviously if it is holding hearings on a certain matter than it has the legal power to issue orders on that matter.

**MR. PAWLEY:** Mr. Speaker, then further to the Minister. Is the Minister then, indicating by way of his answer that the hearings pertain to the addition to the sledge beds in West St. Paul, application by the City of Winnipeg, that indeed the findings of the Clean Environment Commission will be binding upon the City of Winnipeg?

**MR. FILMON:** Yes, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Thank you, Mr. Speaker, I'd like to address a question to the Minister of Economic Development. I'd ask the Honourable Minister whether he has yet obtained the information on the cost of printing and distributing pamphlets in the area of Tourism? I believe he took that question as notice last week.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**MR. JOHNSTON:** It has been requested, Mr. Speaker, after the member made the request in the House, and I should be getting the information very shortly. We have no problem giving that information, Mr. Speaker. We're very proud of the pamphlet that went to everybody.

**MR. EVANS:** Last week also, Mr. Speaker, the Honourable Minister of Economic Development confirmed that there was a second round of television advertising similar to the television advertising we saw last winter regarding Manitoba as a place to live and how free Manitoba was, etc. I wonder if he is in a position to advise us as to the cost of issuing these television ads, the second round of T.V. advertising? What is the cost of this additional round of advertising on the television stations in Manitoba?

**MR. JOHNSTON:** Mr. Speaker, as I indicated in the House when I had this request before, there was a

continuation of the original ads for, I believe, two months. I said in the House that there was a possibility that we would change the ads and have some other ads and have them run further but the infra, I would suggest, because of the type of question that is being asked, Mr. Speaker, would be better put forward as an Order for Return.

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

**MR. EVANS:** I have a related question on advertising but I find that last answer rather odd inasmuch as the Minister advised the House freely a few months ago as to the cost of the first round of television advertising. I don't know what's so complicated the second time around.

Mr. Speaker, I wonder if the Minister could advise whether there are any other advertising campaigns being planned in the area of Economic Development or Tourism for the next few weeks or the next few months? Are there any other television or radio or print advertising campaigns that the people of Manitoba will be treated to in the next short while?

**MR. JOHNSTON:** There are the ads in the papers, in the magazines, that I outlined during the Estimates, Mr. Speaker, that will be going on in the next few months. There will be the Manitoban's campaign which is through Enterprise Manitoba. All of that advertising is approved jointly between the Federal and Provincial Governments as far as Enterprise Manitoba is concerned. Yes, there will be advertising going on, and that ongoing advertising that was announced, Mr. Speaker.

**MR. SPEAKER:** Order please. The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, further to the Minister of Economic Development arising from the answers given to my colleague, the Member for Brandon East, can the Minister explain why in late January he was able to calculate so precisely and so ably the exact amount of the advertising cost for the "Stay in Manitoba" campaign, when indeed now the middle of May, after valuable experience he must have gained by way of costing the past three months, he suddenly finds himself unable and so inept in registering even an estimate — registering even an estimate, Mr. Speaker, as to the cost of the continuation of the "Stay in Manitoba" ads? Can the Minister explain his sudden ineptitude in undertaking any precise estimate that he was so able to do in January?

**MR. JOHNSTON:** It's awfully hard to explain anything to a yelling, screaming little boy, Mr. Speaker.

**MR. PAWLEY:** Mr. Speaker, we always find the remarks of the Minister of Economic Development not very original, very much as you would anticipate from the Minister of Economic Development. Maybe that's why growth is doing so poorly in Manitoba.

Further to the Minister of Economic Development, can the Minister commit himself to ensure that at least we will have some estimate, some ball-park figure, of the cost of the continuation of his political

ads that he's turning out, prior to the conclusion of this session?

**MR. JOHNSTON:** Mr. Speaker, during the Estimates of the Department of Economic Development, the Leader of the Opposition made a point of coming in and asking me specifically about the advertising. I could probably find in Hansard where he did that. I told him the number, the amount of money we had approved at the time; he asked me then if there would be any changes, I said there could possibly be some changes in the type of advertising and the continuation of certain types of advertising at that time.

At that time he then dropped the matter, Mr. Speaker. There was no more questions asked. I would be very pleased, Mr. Speaker, if he would put in an Order for Return to try and give him all his answers.

**MR. PAWLEY:** Very briefly, to the Minister of Economic Development. Was the Minister of Economic Development indicating that it will be recorded in Hansard that he announced during his Estimates that there would be a continuation of the Stay in Manitoba political advertising that has been taking place for the past three months in the province?

**MR. JOHNSTON:** I believe I said, Mr. Speaker, at the time of the Estimates that the advertising campaign that I read off at the time could have changes made to it, if decisions were made to do so.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAM USKIW:** Mr. Speaker, I would like to ask the Minister of Agriculture, given the fact that we probably will be out of here in a couple of days, or perhaps tomorrow, whether he would give us the commitment that the Order for Return that we have been pleading for for some period of time will be tabled before the House prorogues, or adjourns?

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**MR. DOWNEY:** Mr. Speaker, I have indicated when that is ready it will be made available to the House.

**MR. USKIW:** Well, Mr. Speaker, I know that the Minister of Agriculture has given us that same answer now for the last four months in the course of this session, and I don't know how many answers he gave of a similar kind in the previous session. I would ask the Minister whether he can explain what it is that is holding up the decision, or why he is unable to table the Order for Return? It is now two years old.

**MR. DOWNEY:** Mr. Speaker, as I indicated, when it's ready to be tabled, it'll be made available.

**MR. SPEAKER:** Order please. The time for question period having expired, we'll proceed with Orders of the Day.

## COMMITTEE CHANGES

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. WILLIAM JENKINS:** Mr. Speaker, before we proceed, I wonder if I could have leave to make a committee change.

The Committee on Statutory Orders and Regulations, myself in place of the Honourable Member for Lac du Bonnet.

**MR. SPEAKER:** Are those changes agreeable? (Agreed)

The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Yes, Mr. Speaker, I also have a change in Statutory Regulations. Mr. Driedger for Mr. Brown.

## BUSINESS OF THE HOUSE

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, the Committee on Statutory Orders and Regulations will meet tonight at 8:00 p.m. and tomorrow morning at 10:00 a.m. The House will meet at 2:00 p.m. tomorrow. I've been too optimistic in expecting that committee to conclude its business, Mr. Speaker.

Mr. Speaker, would you call second reading of Bill Nos. 59, 62 and 63.

## ORDERS OF THE DAY

### SECOND READING BILL NO. 59 — THE STATUTE LAW AMENDMENT TAXATION ACT (1981)

**MR. RANSOM** presented Bill No. 59, The Statute Law Amendment Taxation Act (1981), for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. RANSOM:** Mr. Speaker, the bill provides the necessary legislation to carry out the taxation changes that I announced in my Budget Address as well as a number of changes of a technical nature. As usual for taxation amending statutes the bill is divided into different parts, the first eight concerning themselves with changes to specific statutes, while the last part provides the effective dates.

The amendment to The Corporation and Capital Tax Act are provided to exclude wholesale paper from the tax base for automobile, truck and farm machinery dealerships as well as to provide special rules and rates for bank loans and trust companies, and the latter changes will simplify the reporting requirements of financial institutions while maintaining revenues at basically the same level as the existing legislation.

The Metallic Minerals Royalty Act will be renamed The Mining Tax Act to clarify the purpose of this statute which is to collect tax revenues based on profits from mining activities, and as well to embrace the taxation of all mining, whether that mining takes place on Crown land or on freehold land.

Furthermore, this bill provides for collecting a tax on profits from the mining of potash, the application of new investment credit related to the purchase of processing assets will be clarified so that it correctly reduces the value of these processing assets for purposes of calculating the processing allowance. The bill amends The Mining Royalty and Tax Act so that no tax will be levied on mining profits gained from mines situated on the freehold land effective January 1st, 1981, since such profits will be taxed under the provisions of The Mining Tax Act.

The Mineral Taxation Act will be renamed The Oil and Natural Gas Tax Act to more clearly illustrate that this Act taxes the value of freehold mineral rights where oil and natural gas are gained. Since the mining of potash will be taxed under The Mining Tax Act, the provisions relating to potash in this statute will be deleted.

Amendments to The Motive Fuel Tax Act provide for a five percent tax rate on manufactured gases used by manufacturers as a heat source to equate to the taxes charged on other heating fuels which have the equivalent heat value.

Another amendment extends to two years the period allowed for truckers to apply for tax refunds on diesel fuel purchased in Manitoba and used in another jurisdiction where fuel taxes have been charged on that same fuel. The present six month period for filing a tax refund claim is not sufficient to enable some truckers to obtain the necessary facts and documents that form part of a refund application.

Further amendments restrict tax refunds on diesel fuel exported to either another province or to the United States, to those situations where only normal fueling and normal trucking operations have occurred.

This bill also provides an amendment to The Revenue Act (1964) which will clarify the current tax exemption relative to grain dryers. Members will also note that as announced in my Budget Address, amendments will be made to The Retail Sales Tax Act which will provide an exemption for used immovable production equipment acquired in the purchase of an entire manufacturing plant.

Finally, the bill provides for the increases as noted in the Budget Address, the cigarette tax and the corresponding increase in tax on bulk tobacco products.

Mr. Speaker, I recommend the bill to the House.

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

**MR. CHERNIACK:** Just a question, Mr. Speaker, if I may. I don't know if the Minister will accept a question.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. RANSOM:** I guess I would have to know what the question is, Mr. Speaker. I understand that during Third Reading is the opportunity to go through the bill clause-by-clause and respond to specific questions. If it's a general question, I would be happy to try and deal with it.

**MR. CHERNIACK:** It so happens it's not on Third Reading but in Committee of the Whole after Second

Reading, these details I asked, but in order to ask a question, I have to ask the Honourable Minister if he will listen to a question. Assuming he will, I noted, jotted down — I think he said that the Corporate Capital Tax relating to banks and trusts and loan company will be, and I wrote down, "maintaining the same levels." Does he mean that the change in taxation, along with the change in formula, will maintain the same level of taxation or is it more correct to say in line with the Budget, which I haven't looked up yet, that there is indeed an increase in taxation of banks and trust and loan corporations?

**MR. RANSOM:** Mr. Speaker, there is a slight increase. I believe that the total revenue projection is perhaps \$50,000 to \$60,000 higher than it was previously, plus there's some adjustments, as I recall, in individual figures but because of the changes in the reporting procedures, the net effect is that there is a slight overall increase in revenues.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I would like to speak to his bill, which is intended to implement the budgetary proposals, or at least the budgetary calculations of the Conservative administration as announced by the Minister of Finance several weeks ago. The reason I say calculations as distinct from proposals, Mr. Speaker, is that the Conservative administration introduced no proposals; they merely added up their expenditures, they added up their revenues, they showed a \$250 million deficit of expenditures over revenues and they presented it to the House with an addendum nine times as long as the calculations in vituperation of the previous administration, in the hope that somehow this will permit the financial bankruptcy of the Conservative administration to somehow slip by.

Well, Mr. Chairman, this bill implements the changes that have been announced in the Budget and I suggest, Mr. Speaker, that this bill is entirely unsatisfactory and insufficient to deal with the financial problems that are facing this province. We are fortunate, Mr. Speaker, or unfortunate as the case may be, that we have now been given a preview of next year's Budget because, Mr. Speaker, the Conservative administration in Ontario did virtually the same thing. They added up the figures, they planned for substantial deficits, they went to the polls and, Mr. Speaker, they were successful and the immediate thing that they have done, they came back immediately after the election and have provided that the Ontario taxpayers will be hit with a series of income taxes, sales taxes and increases in Medicare premiums, Mr. Speaker, which will mean that those people who talk about the income taxes being so high in the Province of Manitoba, that the people of Ontario will be paying in many cases, if they earn under \$15,000 a year, more in Medicare premiums than they pay in income tax, whereas that is not the case in the Province of Manitoba.

Now, Mr. Speaker, I am referring to the Ontario position because I believe that the people of the Province of Manitoba are entitled to know what they are faced with immediately after the next election, Mr. Speaker, and I say no matter which party comes to power, because you cannot continue to operate

this province on the basis of the Conservative's policy of fiscal irresponsibility. In four years, Mr. Speaker, they will have built up a budgetary deficit of half a billion dollars and in the year following that, in interest charges along, and I'm only dealing with 10 percent, the people of the Province of Manitoba will be paying \$50 million a year for 20 years to pay the accumulative deficits that have been charged to them by the Conservative administration and, Mr. Speaker, it doesn't matter which party comes to power, they are going to have to deal with it. Thus far, I know of only one party that says that they will deal with it and that is the Progressive Party, Mr. Speaker. The Progressive Party says that it will operate in such a way that if the public is spending money and is intent on making the expenditures, which may indeed be good, I haven't criticized the Tories for their expenditures, then there has to be a policy of making the revenues keep pace with those expenditures.

Now that doesn't mean that you can balance the Budget in one year. When you have built up a \$250 million deficit, Mr. Speaker, it would require a 5 percent additional sales tax to wipe out that deficit in one year and 5 percent additional sales tax would mean that you would have such an effect on the economy that the other sources of revenue would dry up. But, Mr. Speaker, there has to be a program and what we know is that the Conservatives have provided no program and what we know is that they are hoping to bridge the gap between this year and the next election by having this \$250 million deficit with very little change in the taxation structure, in the hope that they could hoodwink the people of the Province of Manitoba in electing them back to power.

Mr. Speaker, I suggest to you that contrary to the hopes and wishes of the Conservative Party, that the people of Manitoba will not be so easily hoodwinked, that they will know the trick that is attempted to be played on them by the government and that they will deal with them accordingly, Mr. Speaker. What should be made known is that no government of the Province of Manitoba that is elected in the next election, if that be in this spring or this fall or next winter or next spring, is going to be able to do other than to hit the taxpayer. That's because, Mr. Speaker, the taxpayer has been subjected to a policy of fiscal irresponsibility by the Conservative administration and this Minister is the executioner of that policy and this bill that he introduced today, which he says is a bill which is intended to implement the budgetary proposals that were contained in the Budget Speech, is the indication of that policy.

So, Mr. Speaker, I say on this bill, because it has to be said, that if the Conservatives have to introduce a Budget next year, that Budget will contain a deficit of a minimum of \$350 million in one year and/or an increase in taxes. If there is no election before that Budget is introduced, then they haven't got the guts to raise the money and there will be a \$350 million deficit. If there is an election, then the party that has come to power, whichever party that may be, Mr. Speaker, is going to have to do what was done in the Province of Ontario and, Mr. Speaker, I'm not going to make that a secret. I am not going to go to the public of Manitoba and

say that we are going to continue to provide services and we are going to not have a source of paying for those services. The group that I am with, Mr. Speaker, is committed to fiscal responsibility and we will see to it that our expenditures are such as to provide goods and services to the people of the Province of Manitoba which can be more efficiently, more equitably, and less expensively provided than if the people had to provide those things by themselves. But we will also see to it, Mr. Speaker, that there is no pretense about free services. Those services will have to be paid for out of revenue and the only source of revenues, Mr. Speaker, is the public purse, and that public purse has to be filled by the public either through one form of taxation or another. And the one form, Mr. Speaker, which is obviously the first one, which will not hurt the taxpayer to the extent of personal sales taxes and income taxes, but I don't want to avoid them, I don't want to avoid the fact that those will be necessary, but certainly the mineral resource taxation of this province, Mr. Speaker, is hopelessly low because the Minister has taken off what was described first by the industry, Mr. Speaker, as being a fair kind of tax.

Every citizen in the Province of Manitoba knows that once he goes beyond a certain income level the rate of taxation increases. If you earn \$10,000 a year, Mr. Speaker, you pay at one rate, when your income goes up to \$20,000, you pay at a higher rate on the excess. That applies to every citizen, they all understand that, and the same tax is available, Mr. Speaker, to the mining company. If they earned 18 percent on their investment, they paid one tax. If they started to earn more than 18 percent, then on the excess, Mr. Speaker, they paid a higher tax. And if that program was implemented, there would certainly be higher revenues now available from our resource revenues and if there wasn't, Mr. Speaker, if there wouldn't be higher revenues available, then the Minister's criticism of the tax is unfounded, because if the mining companies would not have to pay higher taxes under the two-tier formula then all his statements that they wouldn't invest in the Province of Manitoba because of the tax, are an obvious deception.

So I say, Mr. Speaker, this bill provides us with a preview of next year's Budget and my prediction is that the Conservatives will not have the courage to introduce another Budget unless, Mr. Speaker, through some twist of fate they are reinstated as the government of the Province of Manitoba before 1982, in which case, Mr. Speaker, we have been given the information as to what they will do. Bill Davis has shown the way. When you are elected, after you have governed badly, if you manage to get re-elected, then you pour on the taxes that you didn't have the courage to levy while you were supposed to be governing the province in a fiscally responsible manner.

**MR. SPEAKER:** The Honourable Member for Logan.

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

**MOTION presented and carried.**

**BILL NO. 62 — AN ACT TO AMEND THE WORKERS' COMPENSATION ACT**

**HON. KEN MacMASTER (Thompson)** presented Bill No. 62, An Act to amend The Workers' Compensation Act, for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I am pleased to introduce Bill No. 62, which proposes to amend the Workers' Compensation Act. As members may be aware it has become a general practise in recent years to periodically increase Workers' Compensation pensions that were awarded in past years to persons who suffered permanent disabilities and to dependants of workers who suffered fatal injuries. The general purpose of these increases is to offset the affects of increases in the cost of living, therefore the increases proposed in this bill will apply to pensions and benefits awarded in respect of accidents before 1979 and are directly related to increases in the Consumer Price Index in the two-year period from July 1st, 1977, to June 30th, 1979.

From July 1st, 1977 to June 30th, 1978, the Consumer Price Index increased by 9.2 percent, and from July 1st, 1978 to June 30th, 1979, it increased by 8.9 percent. This represents a combined or cumulative increase of 18.9 percent over a two-year period. In general therefore pensions awarded in respect of accidents in 1977 and earlier years will be increased by 18.9 percent, and pensions awarded in respect of accidents in 1978 will be increased by 8.9 percent.

More specifically, Mr. Speaker, the bill provides for the following benefit increases: In respect of fatal accidents prior to 1974, the Widows' Allowance will be increased from \$400 to \$475 per month. The allowance payable in respect of a child under the age 16 will be increased from \$90 to \$107 per month. The allowance payable for children 16 years of age and over who are continuing their education will be increased from \$100 to \$119 per month. The allowance payable in respect of orphans under the age of 16 will be increased from \$100 to \$119 per month, and the allowance payable in respect of orphans 16 years of age and over who are continuing their education will be increased from \$110 to \$131 per month.

In 1974, Mr. Speaker, amendments made to the Act changed the methods used for determining the amount of compensation payable in fatal cases. Since January 1st, 1974, the amount payable in fatal cases is the amount that the deceased worker would have received had he been permanently and totally disabled. This would be 75 percent of the average earnings of the deceased worker at the time of the accident. As a result of this change to the Act in 1974 pensions payable in fatal accidents are treated in the same way as permanent total disability cases. Therefore, Mr. Speaker, pensions payable in respect of fatal accidents in 1974, 1975, 1976, and 1977, will be increased by the 18.9 percent, and pensions payable in respect of fatal accidents in 1978 will be increased by 8.9 percent.

I am also pleased to say, Mr. Speaker, that the bill provides for increases in all permanent disability pensions awarded for accidents in 1978 and earlier years. Pensions awarded for accidents in 1977 and earlier years will be increased by 18.9 percent, and

the pensions awarded for accidents in 1978 will be increased by 8.9 percent.

Lastly, Mr. Speaker, there is provision in the bill for increasing the minimum amount of compensation payable in permanent total disability cases from \$400 to \$475 per month.

Minimum compensation payable in permanent partial disability cases would be increased on a proportionate basis.

As indicated earlier, Mr. Speaker, the changes being proposed in this bill are intended mainly to upgrade Workers' Compensation pensions awarded in past years. They are changes which I am pleased to commend to this House for consideration and enactment.

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

**MR. CHERNIACK:** Mr. Speaker, I wonder if the Minister would permit a question? (Agreed) A short while ago I raised with the Minister the situation regarding a man who is getting a pension from both the Saskatchewan Workers' Compensation Act and the Manitoba, and discovered that there was a different interval period . . .

**MR. SPEAKER:** The honourable member is taking part in debate at this time and I would have to recognize it as such.

**MR. CHERNIACK:** Mr. Speaker, I don't mind your recognizing it but I don't think that the Minister will be able to answer the question that I'm in the process of putting to him. If you would permit me to finish . . .

**MR. SPEAKER:** Order please. Questions of a Minister in second reading can only be for clarification of something the Minister has already raised, not for a new matter. The question that the member is posing is one that is clearly out of order.

The Honourable Member for St. Johns on a point of order.

**MR. CHERNIACK:** Mr. Speaker, on a point of order, it would be helpful to you, I believe, and certainly to me, Mr. Speaker, if you could listen to the question before you decide whether or not it's out of order. I think that I was asking him a question that was germane to the bill and to what he said and I wanted to get it finished. Mr. Speaker, in order to accommodate you, I will not proceed with the question.

**MR. SPEAKER:** The Honourable Member for Burrows.

**MR. BEN HANUSCHAK:** Mr. Speaker, I have a question for clarification. Could the Minister — and this is with reference to something which the Minister had indicated in his introduction for second reading — could the Minister indicate why he must do everything that's contained within this bill by legislation? It would seem to me that the bulk of what this bill contains the Minister and his colleagues could have handled by regulations.

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I am not blessed with a legal mind and haven't taken any of that training. I just have simply been informed by very competent people that it has to be changes to the legislation; it cannot be done by regulation.

The philosophy behind that, if you wish, I could attempt to find out for the honourable member but it has been a practice of this House to bring it through amendments to the bill and I really don't know why that has been a practice, except that it is the practice and it has to be done that way.

**MR. HANUSCHAK:** Mr. Speaker, while the Minister is attempting to find an answer to my question put to him, on closer perusal of the bill, I would suspect that one reason why the Minister is bringing in this bill would be because of a precedent, that this is the manner in which it had been handled previously. So the Minister is now, in a sense, sort of locked into this practice as long as the existing Workmen's Compensation Act is on the Statute Books. So, in my brief comments to this bill, Mr. Speaker, I would simply suggest to the Minister that he consider revising The Workmen's Compensation Act in such a way as to make it possible in subsequent years to make changes such as these by way of regulations, rather than have to bring a bill through the House. There are many precedents for that, Mr. Speaker. There are many pieces of legislation which provide for the establishment of tariffs, fees, schedules, what have you, and in most cases it's done by regulation rather than putting the entire Legislative Assembly to the time and the effort of passing a bill to amend it.

So I would recommend to the Minister that he consider seriously bringing in appropriate amendments to The Workmen's Compensation Act to make it possible, in the future, to make such changes, upping the fees and the like, by way of regulation rather than by a bill.

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. JENKINS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Lac du Bonnet, that debate be adjourned.

**MOTION presented and carried.**

### **BILL NO. 63 — AN ACT TO AMEND THE INCOME TAX ACT (MANITOBA)**

**MR. SPEAKER:** The Honourable Minister of Finance — Bill No. 63.

**MR. RANSOM** introduced Bill No. 63, An Act to amend The Income Tax Act (Manitoba) for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. RANSOM:** Mr. Speaker, Bill 63 contains the legislative authority necessary to implement the tax credit changes proposed in this year's Manitoba Budget. The overall thrust of the change is to increase the assistance available to moderate and lower-income Manitobans, consistent with the overall

theme of last year's White Paper on Tax Credit Reform, more to those who need it most. As such, I am hopeful that the provisions of this bill will be supported by all honourable members.

The most significant changes proposed in the bill involve increased property tax credit maximums and more specifically, the general maximum tax credit will be increased \$50 from \$475 to \$525, while the maximum for senior citizens will be increased by \$100, from \$525 to \$625.00. The basic minimum property tax credit will remain unchanged at \$325.00.

Honourable members may note that since the inception of property tax credits in 1972, that this is the first year the government has proposed an increase which focuses entirely on the maximum benefit level. Our intention in proceeding in this manner is to ensure that the full increase in funds available for the Property Tax Credit Program will be directed towards Manitobans with lower and moderate incomes. For example, the general \$50 increase in property tax maximum will be available to those with net family incomes of \$15,000 or less and smaller increases will be available, up to a net family income of around \$20,000.00. There will be no increase for those with incomes above that level.

Similarly for senior citizens, the full increase of \$100 will be available to those with under \$20,000 in net family income.

Members should also be aware that the \$50 general increase is equivalent to a property tax reduction of five mills on a home assessed at \$10,000; seven mills on a home assessed at \$7,000; and 10 mills on a home assessed at \$5,000.00. That's the largest increase in assistance in mill rate equivalency terms accrued to those residing in more moderately assessed homes.

The additional property tax credits will be provided when the 1981 income tax returns are filed next spring. In total, the increases are expected to increase property tax credit payments by appropriately \$9 million commencing in 1982-83.

Our government also proposes one further change in the Property Tax Credit Program to provide more equitable treatment to couples who become separated by reason of medical necessity. For example, when either the husband or wife moves to a personal care home while the other spouse maintains the couple's traditional residence, each will be eligible to claim Property Tax Credit.

As members are aware, with the introduction of last year's White Paper on Tax Credit Reform, our government undertook to monitor the implementation of the various programs and to ensure that any potential problems could be identified as quickly as possible and remedial action implemented.

As noted in the Budget Address, the monitoring program identified an anomaly in the Cost of Living Tax Credit Program under which a wide range of entitlements are available to couples with similar net incomes. For example, at \$10,000 in net income, one spouse claims the other as a full dependent, the couple qualifies for a Cost of Living Tax Credit of \$63.00. If one spouse earns \$2,000 and the other \$8,000, the Cost of Living Tax Credit would be \$16, a difference of \$46.00.

A similar problem occurred under the 1979 Cost of Living Tax Credit Program in that the respective cost

of living tax credits would have been \$100 and \$57, a difference of \$43.00. In our view, it's unreasonable in principle for the Cost of Living Tax Credit Program to provide unequal benefits to families with similar net incomes.

Accordingly, to insure that the Cost of Living Tax Credit Program delivers the same level of payments to couples with the same net income, our government proposes to permit couples to calculate their maximum cost of living tax credits on a joint basis. And more specifically, effective for the current 1981 taxation year, couples will be permitted to add the personal exemptions shown on their spouse's return to their own for cost of living tax credit purposes.

Members may be interested to note that this change will provide significant increases in cost of living tax credits for dual income couples. For example, a family with a \$10,000 net income, equally divided between husband and wife, the change will increase cost of living tax credits from zero for 1980 to \$90 for 1981. For a senior citizen couple with \$10,000 in net income equally apportioned between husband and wife, the increase is \$127, from \$82 in 1980 to \$209 for 1981. The most important facet of the change is that it will insure that couples with similar net family incomes will receive the same level of cost of living tax credit benefits irrespective of the distribution of that net family income between the spouses.

The new joint cost of living tax credit will be provided when the 1981 income tax returns are filed next spring. In total we estimate the changes will increase cost of living tax credit payments by approximately \$2 million commencing with the fiscal 1982-1983.

In summary then, this bill increases income related property tax credits by \$50 generally and by \$100 for senior citizens. It recognizes the unique situation facing pensioner couples who must maintain separate residences for health reasons and insures that all married couples in the province with similar net incomes will receive the same level of cost of living tax credit assistance.

As such, I would commend the bill to the House, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Burrows.

**MR. HANUSCHAK:** Yes, Mr. Speaker, I wish to speak to this bill but before I do so, I'd like to ask the Minister a question, just to refresh my memory.

What is the total amount that the province pays out by way of all or both forms of property tax relief?

**MR. RANSOM:** Mr. Speaker, I would want to check to get the exact figure in the Estimates Book, which I believe the honourable member has.

**MR. HANUSCHAK:** Mr. Speaker, I would like to draw to the attention of the Honourable Minister of Finance a proposal or a suggestion which I had made to the Minister of Education with respect to the funding of education.

Briefly, what I had proposed was shifting the funding of education from real property tax to general revenue. Now, I know the Minister of Education says at the present time 80 percent of

education costs are paid out of general revenue, leaving only 20 percent to be funded by way of special levy. But that figure isn't quite correct, Mr. Speaker, because of the 80 percent that the province pays, a substantial portion of that is derived from what used to be called the Foundation Program and now it's education support levy, I believe is the title as of this year.

The education support levy amounts to, or accounts for about \$144 million, which that together with the special levy brings the province's share of its contribution to education costs something in the order of 50 percent, 50 plus one or two or three percent.

Now, I want to point out to the Minister that here on the one hand the Minister collects \$140, \$150 million by way of education support levy, and then pays that back to the school divisions, that same \$150 million, and pays \$161 million, as I've just been advised, under this bill, or under this legislation, to offer real property tax relief to certain designated groups of individuals.

So the two figures being somewhat comparable, in fact this figure exceeding the amount that the province raises by way of education support levy, would this not be the appropriate time, Mr. Speaker, to consider removing, if not all, a very very substantial portion, but I think that even all of the education tax could be removed from real property, because if the education tax would be removed from real property, then there would be no need to offer the property tax relief, because the Minister will recall that the genesis of this tax was to provide tax relief for the school portion of real property taxes, for the school portion.

If the Minister could find other ways and means of funding the remaining \$140-odd million of education costs, then that would eliminate the need for property tax relief. The Minister might say, and I don't know whether he would or not, but I would like to hear him say that he would want to offer tax relief in as equitable a manner as possible because just simply writing off the school tax from real property, well, it'll be the have and the have not citizen, or the have citizens who will also benefit from it. Well, then if there should be any further adjustments that would have to be made to provide a greater measure of equity in the distribution of income, then I'm sure that other ways and means could be found to achieve that.

**MR. GREEN:** Mr. Speaker, just on a point of order.

**MR. DEPUTY SPEAKER, Abe Kovnats (Radisson):** Order please. The Honourable Member for Inkster on a point of order.

**MR. GREEN:** Yes, Mr. Speaker, I don't think that the member should be required to proceed on erroneous information, which the Minister of Finance and I both assumed to be right. The \$161 million also includes the cost of living tax credit. I don't know the breakdown but that includes . . .

**MR. HANUSCHAK:** Mr. Speaker, my question to the Minister was, I asked for the figure that includes all the various forms of property tax relief.

**MR. SPEAKER:** The Honourable Minister.

**SUPPLY — EXECUTIVE COUNCIL**

**MR. RANSOM:** Mr. Speaker, I could provide a bit of information that the member might want. Out of the \$161.7 tax credit amount, \$161.7 million, in 1981-1982 it's estimated that \$141.1 will be for property and \$19.7 for cost of living.

**MR. HANUSCHAK:** So it merely reinforces my suggestion that I'm making. Because the \$141 million practically equals the \$144 or \$147 education support levy that was estimated by the Minister of Education. So one would pretty well cancel out the other.

So it would seem, Mr. Speaker, that it would save the government a lot of book work; it would save, you know, needless transfer of funds collecting the education support levy from all taxpayers and then paying individuals back, the property tax credit, simply write it off. Simply write it off. Don't collect education support levy.

The Minister of Finance may recall that I suggested in the Education Estimates, perhaps a portion of the special levy could be left in real property if there's something all that sacred about levying at least a portion of education from real property taxes, which I don't consider that it is. I don't feel that giving the school boards the responsibility to levy certain taxes on real property makes them anymore responsible school trustees. There are many boards of various public bodies which do not have a tax levying power and I don't think that they act any less responsibly than school trustees do; namely the boards of governors of our three universities, boards of governors of our hospitals, boards of governors or trustees of libraries, and a whole host of public agencies.

I'm sure that they act every bit as conscientiously, as responsibly, in the administration of their particular agency or organization that they are associated with as school trustees do.

So, to sum up, I am suggesting to the Minister, and I would hope that the Minister in closing debate on the bill, would offer a response to the suggestion that the education support levy be eliminated and that in turn would eliminate the need for property tax credit.

**MR. DEPUTY SPEAKER:** The Honourable Member for Logan.

**MR. JENKINS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Lac du Bonnet, that debate be adjourned.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, I move, seconded by the Honourable Minister of Finance that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the supply to be granted to Her Majesty with the Honourable Member for Radisson in the Chair for the Department of Executive Council.

**MR. CHAIRMAN, Abe Kovnats (Radisson):** This committee will come to order. I direct the honourable members' attention to Page 7 of the Main Estimates, Department of Executive Council, Resolution No. 5, Clause 1. Administration, item (a) Premier and President of the Council's Salary — pass — the Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Chairman, I just have a few remarks to make on the matter of the No. 1 issue facing the people of Manitoba today, without question, and that is our economic stagnation. I only wish the Premier had spent as much time on the matter of the economy as he has on the matter of the Constitution. While I appreciate the fact that the constitutional issue, perhaps in the first place was not of his initiative, it did not result from his initiative, nevertheless I believe that the average person in Manitoba is far more concerned with the lack of jobs, far more concerned with inflation, far more concerned with, particularly the small businessman, obtaining sufficient sales just to keep a viable business operating. I really believe that the average person is not as concerned with the Constitution as that average person is concerned with the economic situation.

I guess the weekend before last, a couple of weeks ago, in Brandon, I had the pleasure of talking to some small businessmen, retailers, and I must say — well, one was a retailer, one was in construction — and I must say they were very very down, very disenchanted with what's happening to our economy. In the one case, a retailer found his retail sales were simply not holding up and the contractor found that there just wasn't enough contracting work to keep a large staff, that he used to have, busy. So that the business community, particularly the small business community, I'd suggest, are very upset about the very very stagnant situation that we seem to find ourselves in at the present time.

I know that the government has advised us that there's a possibility of certain mega projects that are on the horizon, yet I think most people in the province tend to be doubting Thomases, they'll believe it when they see it, and thus far we still have memorandums of agreement, memorandums of understanding. We haven't got any memorandums for action as of yet. Perhaps they will come about.

It's interesting, however, Mr. Speaker, to note that both of the projects that have been discussed to date at some length, both the Alcan project and the potash project, both involve government to a large extent, even though this government says it's going to rely and will rely on the private sector. I think back to the election of 1977 and the great speeches made by the now First Minister of this province wherein he says, "We will put the private sector on trial. We will make the environment suitable for private enterprise to come to Manitoba and build up our province, and government will be reduced, the government will withdraw from industrial activities, and we will expect great things to happen by private enterprise."

Well, Mr. Speaker, as we all know, surely as we all know, those great things have not happened and the two projects that are talked about with some relish by members opposite, the two so-called mega

projects, the Alcan and the potash, both of them involve the government to a large extent; government investment, cash investment in the case of Potash. Not only is the government making land available, its acreage available to the new corporation, but it's also prepared to put up cash by way of investment.

So I say, Mr. Speaker, this is not pure private enterprise. If we're talking about private enterprise, please let's talk about private enterprise. This is not private enterprise, this is enterprise making decisions based on government involvement; you might say joint venture. Yes, it is joint venture but nevertheless, I submit, Mr. Speaker, that the key actor is the government, not IMC, because as I understand it, we held most of the cards in terms of the ownership of the resources, the Crown lands in question. And without the government having amassed that land as the chief executive officer, I believe, or the president of IMC, himself stated this project would not be able to get off the ground at this time without the government having amassed the acreage of potash resources. And of course, similarly with Alcan, without the development of the Nelson River that has taken place today, there would be no discussion with Alcan. Without the previous government having proceeded with the Nelson River development, Alcan would not be wasting its time discussing a possible smelter in this province. It's only because we have developed to some large extent our hydro-electric recourse, that this company can even begin to consider this province for some type of processing activity and even here, of course, we get very complicated in arrangements because there's discussion and proposals that Alcan should own part of a public utility. Own part, in effect, for a period of time at least, for a long, long period of time a particular asset. And this of course is something new and it's something that has to be explored more fully because there are a lot of objections, I believe, by a number of people in this province to a private company owning part of a basic or a primary recourse.

But, Mr. Speaker, the point I want to make is that these two projects will not turn the Manitoba economy around. Stimulative as they may be, they for the several hundreds of jobs involved here and of course we're talking about projects that will require years to develop, we're talking several years down the line. We're not talking about something that is going to happen now to create jobs for the people of this province. We're not talking about something now that's going to stimulate the retail sector for example. We're talking something down the line, down the road a piece. Therefore, I say, the mega projects are not providing the answer to the immediate stagnating situation that we've experienced in this province. And as I indicated the other day, and I don't intend to repeat, the data provided to us by the Conference Board in Canada shows that the real output of goods and services in 1980 is at a lower level than it was in 1977. So Manitoba, Mr. Speaker is I believe the only province to be at a lower level of production than in 1977. And certainly our average growth rate in the last few years is negative when compared with the average growth rate in 1970 to 1977. Indeed it is the only province in that position.

So I say, why is it that Manitoba is the only province to be in this negative position? Why is it that we are burdened with reversal of growth? Why is it that we are burdened with decline? What has happened in Manitoba that has caused a decline whereas in, and I'm talking about the three-year period, I'm talking since 1977, because I realize a number of provinces declined last year, why is that we should be in such a weak position? So I say that there are no answers. This government has not come up with any answers, in fact, it seems to me, Mr. Speaker, that the government has really given up on trying to cope or handle the pressing situation that we face today. And any suggestions on this side that would stimulate the economy are ticked off and put aside as being a band-aid approach and that there would be no assistance from certain construction of public works or programs such as the Critical Home Repair Program which I believe has been very useful and has been very successful in stimulating the economy while at the same time providing better accommodations for senior citizens that happen to own their own homes or for families that are on lower income levels.

So I say that there's an abdication on the part of this government, it seems to me, in terms of trying to cope with the current economic demise that we seem to be in. And I know that we can point to the high interest rates which are not the responsibility of this government. The interest rate policy that we are faced with is certainly emanating out of the Bank of Canada in Ottawa and of course you could also argue that the Bank of Canada is merely following what is happening in Washington, merely following the Federal Reserve Bank of the United States, and in large measure it is, in large measure we do reflect the interest rate conditions in the United States.

But, Mr. Speaker, we also happen to have a floating dollar and that should give us a certain flexibility that we might not enjoy otherwise because that floating dollar does give the Bank of Canada some additional elbow room and could, as Mr. Walter Gordon said just the other day, the Chairman of the Institute for Public Policy said the other day, we could have lower interest rates than we happen to have at the present time. It is possible that given the right monetary policy by the Bank of Canada, given easier monetary policy, that we could have lower interest rates. Because, Mr. Speaker, we all want to fight inflation but the irony is and the dilemma is that the high interest rates are not enabling us to cope with inflation. They will only enable us to cope with inflation if they finally succeed in grinding the Canadian economy and, I guess, the North American economy to a halt, and have much more unemployment when you have widespread unemployment and business failures when it grinds to a halt. I suppose maybe at that point we will experience a lessening in inflation, but in the meantime you could argue that these high interest rates don't curtail inflation, they simply add fuel to the inflationary fire that we're witnessing. And I suggest therefore, Mr. Speaker, that the Premier of this province should be more aggressive with the Federal Government in the field of monetary policy. I believe that we should be pressing to the extent that we have any influence at all, and maybe we have no influence, but to the extent that the Premier of this

province has some influence, he should be pressing the Federal Government to reverse its monetary policy, to reverse its monetarist policy and to have what I consider to be a much easier money policy which would enable Canadians to have lower interest rates. Now I know this will put pressure on the Canadian dollar; I appreciate that the Canadian dollar may diminish in value somewhat. That remains to be seen, to what degree it will diminish, but even if it does diminish a bit, it will not be that disastrous and in my judgment it will not be as disastrous as these escalating interest rates that we are now experiencing.

But, Mr. Speaker, what bothers me is that this government will not take an aggressive approach to Ottawa in the matter of high interest rates because they really believe in high interest rates. I really think, and I listened to the Minister of Finance the other day answering some questions, and I really believe that he thinks that this is necessary medicine that we've got to have these high interest rates, it's good to have tight money and that that is a necessary dose of medicine, necessary bit of medicine, for inflation, for the ailing economy that we have. And I suggest, Mr. Speaker, that this policy, if carried to its ultimate might, indeed it is bad medicine, but it might in the process kill the patient, in other words, might in the process create a great recession in this country and indeed in this continent.

So I say that the Premier whose Estimates we're discussing is remiss in not being as aggressive in the area of economic policy and I say, it is regrettable that he has not seen fit to take a stand against the high interest rate policy of the Bank of Canada and the Federal Government. The irony of it is of course, Mr. Speaker, that the high interest rates are not a factor in large industrial development projects. Alcan has not told us, for instance, or the potash people have not said that high interest rates are a detrimental factor to their development, and that's understandable and it's been ever thus because large corporations in these industries are able to pass on their costs, and to that extent they can absorb high interest rates and of course they do have internal resources that the smaller business sector does not have, although I must recognize that in the use of internal resources there is a cost there, an opportunity cost that shouldn't be ignored.

The high interest rate problem however does affect in a very detrimental way the small business sector. It is the small business person who is very susceptible to high interest rates. It becomes very expensive to carry inventory; it becomes very expensive to utilize working capital that may be available from the banking system. It certainly is a factor for the agricultural sector; for agri business. It's certainly a factor for the farmer who has to borrow money for whatever purpose and certainly it is a factor for the consumers of so-called big ticket items, people who need, who wish to purchase large appliances or automobiles or so on. They're certainly affected very sharply by high interest rates.

So I suggest high interest rates certainly are a detrimental factor and they are one of the factors in causing the slow growth that we seem to be experiencing in this province at this time, but it is not the only factor, it is only one. I don't want to repeat the comments that we've made in the past about the set of economic policies that this government has.

It has been suggested, Mr. Chairman, by the Premier and his colleagues that, well, really — particularly I guess the Minister of Economic Development, who, once we looked at the record of the past few years, perhaps we should call the Minister of Economic Decline because Manitoba's economy has declined in the last few years, it hasn't grown; that we are told that the Manitoba economy is turning around and we point to a couple of figures showing an increase in housing starts even though we're comparing an increase in 1981 over a disastrous year in 1980, and as the real estate people themselves will tell you, we are still long way from having a buoyant housing industry in Manitoba; far far from it.

So I reject the suggestion by the Premier and his Cabinet that the economy may be turning around and as I said the housing starts referred to, I just noted the other day from Stats Canada the figures issued on building permits covering not only residential, but industrial, commercial, institutional and government construction, and note that — and we only have the first two months available so this is January and February — in Manitoba we are down by 11.2 percent. 1980 was a bad year, but 1981 thus far, according to the figures we have, shows a decline of 11.2 percent. In actual dollars, I am just reading from a Stats Canada daily bulletin, Tuesday, May 12th, 1981, it was issued then, we get it a few days later, but in 1981 the first two months of this year, the building permits for the province as a whole amount to \$25.5 million; last year, the first two months, it was \$28.7 million. If you go back to 1979 it was \$49.4 million; \$49.4 down to \$28.7, now down again to \$25.5 and, Mr. Chairman, those are current dollars. If you squeeze the inflation out of them they would look a lot worse than they are, but there is no question that if you look at these figures, if this means anything, there is no sign of any great turn around in our economy. As a matter of fact building permits are considered to be one of the key indicators of what is happening because the construction industry takes out a permit and this information is available ahead of the actual construction period.

So while I know my friends opposite say again here's more doom and gloom and so on, the point is, Mr. Chairman, that let us recognize what is happening; let us not say that the Manitoba economy is turning around when it is not turning around. To date there has been no sign, there are no clear signs that we have any reversal of the situation from last year.

I know the Conference of Board of Canada has forecast a better for 1981 than 1980. I have never — well I shouldn't say never — I have not tended to use the Conference Board forecasts unlike the former Minister of Finance because as he found out to his dismay they can be very much off the mark in terms of forecasting. As a matter of fact he used them in the Budget Address of last year and found that they were way off the mark when the results came in.

Mr. Chairman, the figures I have used from the Conference Board are the historical figures which they in turn get from Stats Canada, so I am not prepared to stand by their forecasts and all I say is that the statistics so far don't indicate any clear turn

around in the economy, although surely 1981 should be better than 1980 because 1980 was very very poor. It was probably one of the poorest in the history of this province.

Mr. Chairman, I would like to just take another few minutes to talk about another area that the Premier has taken a stand on and I think it's a very serious error on the part of our Premier and on the part of this government, and that is to line Manitoba up with the Province of Alberta in the area of oil pricing. I think it's insane for a net-consuming province of petroleum products that Manitoba is, for this province to support the major oil producing province of this country.

I can understand Peter Lougheed's position. I can understand him fighting to get world oil prices or some approximation of world oil prices. It is in his interests because he collects . . . well before the national energy policy was implemented then the provinces obtained 47 percent of the additional revenue from oil price increases, or never mind the additional revenue, just the total breakdown, 47 percent went to the provinces. Even with the new national energy policy, 43 percent is expected to go to the provinces. So I can appreciate Mr. Lougheed's position because he is speaking on behalf of the people of Alberta, but surely the Premier of our province is not speaking on behalf of the people of Manitoba when he supports the position of the Alberta Government. The position of the Alberta government is that we should move to, if not the world price, some variation of the world price, some percentage of the world price.

Mr. Chairman, I say that is not in the interests — I don't believe it's in the interests of Canada. It is certainly not in the interests of the people of this province because as we know as the price of oil goes up, as the price of gasoline and other petroleum products go up, so does the rate of inflation. In fact probably the key basis today, the key area to look to for a cause of inflation is rising energy prices. Fortunately we haven't gone to a world price in Canada. If we had we would have even worse inflation than we are now experiencing and indeed more unemployment.

I submit, Mr. Chairman, that the world oil price is not a free market price. We're not talking about a price set by a free oil market, we are talking about a price that is set largely because of a cartel action by OPEC, the Organization for Petroleum Exporting Countries. It is not a free market. It does not reflect the true costs of production. It is a market that has been manipulated, if you like, by OPEC. I suggest that if it was a free market you would see not only price rises but you would see the price of oil fall as the western world in particular, let's say experiencing a fall-off in industrial production, you would see the demand for oil drop and there should have been a drop in the price of oil but that hasn't occurred. We have a price that is being fixed in large measure by OPEC. So we have a price that does not reflect supply-demand conditions. It certainly doesn't reflect cost of production conditions and this is the price that Mr. Lougheed wants us to adopt because it's in the interests of his province.

I say, Mr. Chairman, that it's not in our interests because it is inflationary. Certainly every time the price of oil goes up by a dollar or two dollars or

whatever amounts at the wellhead, ultimately the standard of living of the people of this province is reduced and it is just impossible to think of our Premier wanting to reduce the standards of living of the people in this province because that's what you do when you support a policy that could lead to more inflation, that will take more money out of the pockets of Manitobans.

Mr. Chairman, I appreciate that the argument that may be given is we need these high prices to develop new oil supplies. I disagree with that. I believe that there is a lot of evidence to suggest that the higher prices that are made available to the oil industry, that a great deal of that additional net income, that additional net revenue that the industry has obtained has not gone into oil and gas exploration and development. Of course, as we've said, 47 percent went to the provincial government's treasury anyway. This was before the new national energy policy; 10 percent went to the Federal Government, 43 percent was left for the oil industry, and of that 43 percent a great deal went back to the United States and other countries in the form of dividends, in the form of management fees. Some of that money went for exploration in other parts of the world. Some of the money went into non-energy developments and into real estate and so on. There is no clear relationship between the rising price of oil and the increased supply of oil to Canada. We all want self-sufficiency. We all want self-reliance, and I note in passing, Mr. Chairman, that we are blessed with a surplus of energy at least in totality. If you look at all forms of energy, Canada is a net exporter and we are blessed with a surplus of energy supply; a supply that is surplus to our needs and demands. This is particularly true in electricity and coal and natural gas. It is only in the area of oil that we have problems and I submit that we can overcome some of these problems by substituting natural gas for oil in parts of this country. Where we are most dependant on off-shore oil of course is in the Atlantic region and Quebec, and one major effort that is fortunately now in the process of being made is the building of a pipeline to supply natural gas to the Atlantic region and to Quebec to a greater extent than it is being supplied today so that we can substitute natural gas for this imported oil.

This is one way to cope with the problem of insufficient oil and another way of course is the various conservation methods. Another way of course is to look for new sources and new types of fuels and indeed that has gone on and is going on across the country and indeed elsewhere and there is a drive for energy efficient homes and so on.

But I say regardless, it is not in the interests of the people of this province for our Premier to be fighting the fight for Mr. Lougheed. It is regrettable and I say that it is time we ceased supporting this major producing province and it's time we started speaking up on behalf of the consumers, on behalf of the residents of the Province of Manitoba.

Mr. Chairman, one could say more about this subject but I have talked about it on other occasions and I don't wish to attempt to repeat myself. I regret that the Premier is not with us, but I only hope that somewhere, somehow, that message, particularly the last message, gets to him. Thank you.

**MR. CHAIRMAN:** (a) — pass — The Honourable Member for Burrows.

**MR. HANUSCHAK:** Mr. Chairman, just a couple of brief comments to register my displeasure with a publication which this government has put out titled "1979 Manitoba Club". I had asked the Honourable Minister some time ago about the cost of this and I don't believe he has replied, but really, Mr. Speaker, may I suggest to you that the timing of this publication is very bad. With a deficit budget of \$250 million, and here the government found funds to put out an elaborate coil-bound publication in color; art-work; surely the artist who did the cover had to be paid; and glossy paper; some beautiful photography; nice photography; —(Interjection)— Yes, Conservative colours, and yet, Mr. Speaker, there is not a thing. There is nothing educational, nothing historic about this publication. In fact the printed content is an insult to an average person's intelligence —(Interjection)— Oh yes, and the picture is only on one side. For example, causes of the flood. Do you know what causes floods, Mr. Chairman? Above normal precipitation causes floods, and if you don't believe that, Mr. Chairman, this is research, there is a reference quoted; somebody by the name of Mr. Mark Hacksley, Atmospheric Environment Services of Environment Canada said so.

Do you know what the effects of flood are? —(Interjection)— There's a lot of water, yes. It forces evacuation of families and, oh, due to water on the land, most farmers were unable to seed crops. Did you know that, Mr. Chairman? Well, that's what this book says. And so it goes.

Mr. Chairman, surely there's nothing of any value or historic significance in this publication. Now I know, I can recall after the 1950 flood there were a number of pictorial accounts similar to this that were published but the photographs were identified. It named the towns or it named the individuals shown in them. It showed certain before an after photographs of the same scene. A book of that kind, I could see some historic value to, but in this thing there is absolutely nothing. It shows a combine, without a head, in the middle of a field, and the caption says, "Efforts to save grain became extremely difficult." But, Mr. Chairman, the farmer's main concern during this flood wasn't harvesting, but was seeding. You know, the flood was in the spring, if you recall that, Mr. Chairman.

There was one over here somewhere — the caption reads, "A flooded farmstead." In case you can't tell from looking at the picture, then you can read beneath, it tells you, "A flooded farmstead." The photographer knew that it was a flood farmstead because there's a barn behind the house, so it wasn't an urban home.

Then it shows another submerged home and says, "This residence received extensive structural damage," in case you don't know what a flood may do to a building, so it tells you there, you know, very valuable information.

Mr. Chairman, who's going to be on the mailing list for this thing? Is this going to go out to all the people of Manitoba? Is every home going to receive this document?

Now I know that in relation to \$250 million, one might say that the cost of this only amounts to a hill of beans but it is the principle of the thing. I would suggest to the Minister that he use a selective

mailing list. Now surely there must be people living in the area that was flooded who were not compensated to the extent that they felt they deserved to be compensated and I would suggest that the Minister send those people, who probably felt that they should receive an additional thousand, a copy of this and say we're sorry we weren't able to pay you as much as you had claimed because we had to set aside some funds for the publication of "1979 Manitoba Flood, Recovery and Protection," and we are pleased to enclose a copy in lieu of —(Interjection)— That's right. Yes, and I would suggest that the Minister provide the bus drivers in Winnipeg with sufficient copies of this document so that every time they pay 60 cents, they are handed a copy. (Interjection)— The suggestion was made by the Honourable Member for Elmwood that they could be used in place of sand bags. I think that's an excellent suggestion. Send these out to the universities. This fall when the university students have to pay increased fees because the government wouldn't provide the level of support that the universities deserve, give the students a copy of this and say now this is why you have to pay increased fees, why the government couldn't give the Grants Commission any more money, because they had to publish the "1979 Manitoba Flood."

Perhaps this should also be mailed out to the taxpayers in Transcona-Springfield and River East and some of the other school divisions which were hit by fairly high increased education costs. Let them know why they have to pay increased education costs, because the Minister of Education couldn't obtain the amount of money that he needed from his Cabinet because some moneys had to be put aside for the publication of "1979 Manitoba Flood."

So really, Mr. Chairman, the timing of this thing, given the fact that the Budget is in a deficit position, and to come out with a document such as this, a worthless document which is of no historic value or significance —(Interjection)— Oh, yes, beautiful pictures. You know, some of the night photography is quite well done and I am sure that for every photograph that appears here, there must have been 15 or 20 taken and then from that the selection of the best ones made.

But for a year when we are in a \$250 million deficit position, Mr. Chairman, when taxpayers are being hit with increases in taxes, in tuition fees, when greater restraints are imposed on student aid, being hit with increases in public transportation on the one hand, but on the other hand to provide the taxpayers with this junk is a slap in the face of the people of Manitoba.

**MR. CHAIRMAN:** (a) — pass; (1) — pass.  
The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Chairman, I want to say a few words this morning. I just finished opening my mail and there are usually many surprises —(Interjection)— Mr. Chairman, as I was mentioning, the morning mail always gives one a number of surprises and this morning I noticed that the Conservative Party of Canada is doing all that it can to raise funds and I received a letter, which is not particularly surprising — I suppose those letters are widely distributed — but I was somewhat taken aback, Mr. Chairman, to receive a 1981 sustaining

membership card from the P.C. Canada Fund with my name typewritten thereupon. Now, Mr. Chairman, I don't know whether there is some other Howard Pawley somewhere in Canada, that there could have been some confusion as to just to whom the sustaining membership card was being forwarded, but I would indeed, Mr. Chairman, ask for your assistance and possibly the House Leader's assistance as to how I can discreetly return this membership card, whether the House Leader would look after that for me because I do find it somewhat embarrassing to receive such a card in this morning's mail, Mr. Chairman. So I would like to just send that over to the House Leader.

Mr. Chairman, the Minister of Economic Development assures me that he is very happy to see it returned. Mr. Chairman, it does demonstrate a little bit about the ability of the Conservative Party to run its own affairs. I'm not aware and I must admit I would have somewhat of a red face if a New Democratic Party sustaining membership card was sent to the Premier in the mail. I don't think that has happened, Mr. Chairman. I wonder if the membership card that I have received will be part of the total Conservative membership figure for the current year 1981.

Mr. Chairman, there are a number of points that I wanted to raise this morning dealing with a matter which I had attempted to raise last Friday but due to the Speaker's Ruling, I found myself unable to proceed with, and that pertained to the cost of living, the cost of living not only in the province but also what is happening Canada-wide.

Mr. Chairman, my colleague, the Member for Brandon East, I think has made the point well in this Chamber in the past two to three weeks, has made the point well in addressing the Minister of Finance and urging on the part of the Minister of Finance and indeed on the part of the First Minister some initiative in order to bring it clearly and directly to the attention of the Federal Government that the present soaring rates of interest being charged by the banks as a result of Federal Government fiscal policy must stop immediately.

Mr. Chairman, that is one form of action that is required on the part of the provincial Minister of Finance and I know the provincial Minister of Finance will respond by talking about conferences that he has been participating in but, Mr. Chairman, we need more than conferences, we need some firmer more decisive action on the part of the Minister of Finance and the First Minister, under whose Estimates we are dealing with, in order to bring clearly to the attention of the Federal Government that Manitoba has had enough of Trudeau-Clark policies, enough of Crosbie-MacEachen policies in Ottawa. Mr. Chairman, I purposely include both Joe Clark and Pierre Elliott Trudeau because we have seen both the Leader of the Conservative Party and the Leader of the Liberal Party in action in the past two-and-a-half years and, Mr. Chairman, the difference is like Tweedle-Dee and Tweedle-Dum. We had Tweedle-Dee in office; now we've got Tweedle-Dum in office, Mr. Chairman. What is required on the part of the Provincial Government is some clear direction as to where the Federal Government is proceeding.

So I say let us discontinue this shadow boxing that we have seen between the Liberals and

Conservatives in Canada. Let us recognize the fact that we are dealing with parties, indeed, that have enunciated and have implemented similar policies when they had an opportunity to do so at the federal level.

Mr. Chairman, there are areas that we should be investigating, as well, at the Manitoba level. My colleague, the Member for Transcona, last year on various occasions asked the Minister of Agriculture if he would implement past legislation, debt adjustment legislation in Manitoba, that was given the 1980 drought situation, in the event that such legislation would be necessary. The Minister of Agriculture sidestepped the repeated calls by the Member for Transcona for that kind of legislation. Mr. Chairman, what is required for this government to weigh at this time is legislation that would result in some deferral of foreclosure proceedings if indeed the action is undertaken by way of foreclosure because of circumstances beyond the control of the debtor, whether it be from drought, whether it be from interest rates that have risen out of all proportion to one's ability to repay, whether it be a homeowner, whether it be a farmer, whether it be a small business person. The provincial government just can't escape some obligation and responsibility.

The Manitobans that I have spoken to in the last few weeks are increasingly concerned. In rural Manitoba they are concerned about the present weather pattern, if it continues. I hope it does not, Mr. Chairman, but if it does continue then we could indeed have a more serious repeat of last year.

But that concern is this year being compounded by what is happening by way of interest rates. We expect an announcement tomorrow and I trust there will not be another increase in the prime interest rate Canada-wide, but if we are receiving — (Interjection)— Well, I hope there is another announcement from the Government of the Day, we would welcome it. In fact, if you wanted to make an announcement today we would accommodate you in that respect, Mr. Chairman, we would accommodate you. In fact there would be no need to continue, Mr. Chairman, if the Minister of Natural Resources wants to make an announcement pertaining to intentions in the month of June, we would be quite pleased to accommodate.

But, Mr. Chairman, I would like to know from the Minister designated by the First Minister to carry his Estimates through this Chamber, whether or not the Manitoba Government is considering any programs, any legislation, that would provide for some amelioration pertaining to the interest rate situation we are confronted with?

I mentioned before the Interest Rate Abatement Program in Saskatchewan, pertaining to the small business community, small communities, 6,000 and under population, gross sales \$500,000 and less, interest rate abatements up to three percentage points.

I'm not saying that what they are doing in Saskatchewan is the perfect program. I suspect there's considerable need for improvement in that program. I would think that the Minister of Finance, with his department, and with his officials, could be examining the principle of that program, and could indeed be advising as to whether or not Manitoba could pass legislation which indeed would be an

improvement upon the Saskatchewan legislation. We have not heard from the Minister of Finance in this respect, Mr. Chairman, and yet we know that the interest rate hike, the interest rate soar is increasing the power and concentration of the conglomerates throughout Canada, that the concentrations of wealth are intensifying within Canada, and those that are paying the price for that increase in concentration are the small business communities; the domestic Manitoba business community, the family business community.

And Mr. Chairman, when this government was elected in 1977, it was that same small business community, it was the Manitoba domestic community that thought, ah, now we have elected friends to office. We have elected a government that is going to be on the lookout for the interests and concerns of the Manitoba domestic community.

Mr. Chairman, if there has been one group that has suffered most in the past three to four years — I shouldn't say most, but amongst the worst, suffered amongst the worst, it has been the small family business community in Manitoba. Their policies, whether it be from the economic development, whether it be from the Ministry of Finance, wherever it be, has added not to the strength and vitality of the Manitoba business community, but indeed has taken from the Manitoba business community, whether it be by way of the dip in retail sales, whether it be by way of other programs and policies that have been developed over the past three years; those programs, those policies, have indeed dampened the vitality of the Manitoba domestic business community.

This is a government that has talked a great deal. It's offered a great deal of anticipation about mega projects. They're great in talking about Alcan, that may or may not take place down the road in 1984, 1985. A great deal we've heard about Alcan. A great deal we've heard about Alcan. Mr. Chairman, we've also heard a great deal just a few days ago about the potash corporation, the deal that the Manitoba Government is making with the potash corporation, multinational potash corporation. Again, peak employment if it should go ahead, we trust it will, 1985-86.

We've heard a great deal about negotiations in respect to the Western Grid. But Mr. Chairman, we have heard little, very very little about what this government, about what the First Minister has in mind by way of decisive and concrete policies in order to insure that there is an economic turnaround in the balance of 1981 into '82-'83. What is there? What have we heard, Mr. Chairman? We have heard vague promises, vague promises. We are told about better days that lie ahead with mega projects in 1984 and 1985, but we're not told, Mr. Chairman, about plans, projections, strategies, in order to assist and improve the economy of the Province of Manitoba over the next two to three years.

We are not told, Mr. Chairman, what, indeed, this government has in mind in respect to the small domestic business community. Is the small domestic business community going to be confronted with increasing numbers of bankruptcies? Is this the answer that the Minister of Economic Development, the First Minister, has to the small domestic business communities in Manitoba? Dips in, by way of retail

sales, an economic climate that has been permitted to not flourish over the past three to four years?

So these are questions, Mr. Chairman, that must be posed to this government, because we haven't heard. With their tremendous bureaucracies that they have at their disposal, the Minister of Finance, the First Minister, all the assistants, all the expertise, one would think, Mr. Chairman, there would be programs, there would be some decisive action that would relate to the improvement and the turning around of the economy over the next immediate period of time; that we wouldn't have to live upon hopes that may or may not take place four or five years down the road; that we would have what Manitoba needs, a government that is going to provide some initiatives so that we have a government that will, rather than be negative in its role to turning around the economy, be affirmative in its approaches in respect to the economy of the Province of Manitoba; a government that does not look upon the less government being the best government, but a government that recognizes the reality of the fact that government can and should be used as a tool to create jobs in order to increase the benefit to the public at large, to maximize the return to all members of the public. That is the kind of government that is required. Unfortunately, Mr. Chairman, we have not received the benefit of that kind of government for the past four years.

Mr. Chairman, I would ask the Minister designated by the First Minister as to just what the Premier has in mind by way of any strategies pertaining to the rising interest rates, any proposals from the Province of Manitoba to the Federal Government, to the provincial level, No. 1. No. 2, just what the Minister designated by the Premier has to say in respect to the consumer price index, the fact that it's risen during the past five years at a rate, the highest it's been in five years in the province.

The Minister responsible for Community Affairs in his campaign literature in 1977, I don't have it in front of me at the moment, but committed himself, Mr. Chairman, as I know other Conservative candidates did, to protect Manitobans against inflation. During their four years we have inflation the highest it's been in the province since 1976, and they are going to protect Manitobans against inflation. Manitobans are still waiting, Mr. Chairman, for those solutions they must obviously of had in mind when they distributed their literature in 1977. Surely this party that now provides the government in the Province of Manitoba had some strategy, some programs, some policies in mind when they campaigned in 1977 on the basis they'd protect Manitobans from inflation.

So, Mr. Chairman, on the basis of that, I turn again to the Minister that's representing the Premier and ask, when are they going to unveil these secret strategies that have been kept under wraps for the past four years to combat inflation that they had represented to Manitobans that they had, back in 1977.

**MR. CHAIRMAN:** (a) — pass; 1. pass; Resolution 5 — pass. Resolved that there be granted to Her Majesty a sum not exceeding \$1,158,600 for Executive Council.

The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Chairman, I have another question to the Minister, and possibly the Minister of

Finance would like to deal with this. In 1980, in the Budget, we witnessed changes that took place in regard to tax credits, changes that we on this side warned the Government of the Day would result in thousands of old age pensioners and those on fixed income being adversely affected.

I recall, again, to remind the Minister of Finance that it was the Deputy Premier that suggested that we were attempting to hoodwink Manitobans with our claims in 1980, suggested indeed that we were engaging in lies and more damn lies at that time, and we warned the Deputy Premier at that time that indeed his words, his actions, his Budget, would come back to haunt him.

In 1981, Mr. Chairman, it's now become clear. Some \$15 million have been extracted from the pockets of low income pensioners in Manitoba. What they said back in 1980 was simply a system to remove inequities, that's what the Minister of Finance had said of the day, they were going to remove inequities within the tax system.

Well, Mr. Chairman, those inequities resulted in \$15 million being extracted. They resulted, I must tell the present Minister of Finance, in more letters being received by the Official Opposition on this than any other subject matter. Mr. Chairman, close to 500 letters were received in the space of two months in my office dealing with the tax credit, and as the Member for Ste. Rose states, still coming, still coming. Mr. Chairman, they're not coming from those with high salaries. I have perused those letters, we've checked a number out, and contrary to what the Deputy Premier had led us to believe, those letters are coming from senior citizens, low income people. That's what we are hearing from the people in the Province of Manitoba and this is not a matter that can be taken lightly. \$125, \$150 to somebody of low income is quite a blow out of one's annual earnings, but that's what has happened this year.

Now, Mr. Chairman, we have received a commitment on the part of the Minister of Finance that there are going to be some changes made in 1982 in this program. We are led to believe that they are now recognizing mistakes, mistakes that were made. This is after the Member for St. Matthews pointed out that the government indeed had performed what he described as a stupid mistake. The present Minister of Finance, despite the warnings of 1980, now acknowledges that, in his words, there is need for some corrective action.

Well, Mr. Chairman, I have examined the Minister's words in the Budget, and I am concerned just how corrective his steps will be to correct this situation. The Minister has not indicated how much money will be made available in order to undertake these corrective steps; the Minister has not spelled out for us just what the government has in mind, because I think it's important that the senior citizens and the low income groups affected by these changes be given some notification now. Why should they have to wait? Why should they have to wait until next Budget next year as to what changes the government has in mind? Surely they've suffered enough in 1981. I think this government that did this, despite warnings, should be even looking at some rebate of those low income people that were affected by their unnecessary, and at the time, deliberate policy.

So, Mr. Chairman, I would like to hear from the Minister of Finance as to what changes he anticipates for these Manitobans that are so affected in their next years' filing of return? How much money indeed will be used in order to rectify what was obviously a colossal blunder on the part of this government in its actions in 1980? And thirdly, if the Minister of Finance can provide us with any information in this regard, when would the Minister of Finance be in a position, Mr. Chairman, to provide us with this kind of information, not for our benefit in this House, but for the benefit of the thousands upon thousands of senior citizens and low income people have been affected, hundreds from whom we've heard from in our caucus, Mr. Chairman?

Now I have deliberately prolonged the debate for a few moments because I want the Minister of Finance to consider between now and us proceeding again his answers to these questions.

**MR. CHAIRMAN:** Order please. The hour is 12:30. Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker, and requested leave to sit again.

### IN SESSION

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Dauphin, report of committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The hour being 12:30, the House is accordingly adjourned and stands adjourned until 2:00 o'clock this afternoon (Wednesday).