

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, June 30, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motions; Introduction of Bills. The Honourable House Leader of the Liberal Party.

INTRODUCTION OF BILLS

MR. GORDON E. JOHNSTON (Portage la Prairie) introduced Bill No. 149, an Act to amend The Liquor Control Act (4).

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, before Orders of the Day, I wonder if I could ask the First Minister if he would clarify the position with regard to the tickets for the train trip tomorrow. I understand now there's a second set of tickets out that came from the Secretary of State's office. -- (Interjection) -- No, the vintage society only know about the large ones, but now these have appeared on the scene - now some people have not received these that have received the others. What is the position?

HON. ED. SCHREYER (Premier)(Rossmere): Mr. Speaker, as the honourable member may know, the arrangements relative to the use of the train and the invitations extended to members to ride on the train are matters that were decided by the Federal Government. I believe that the larger tickets that were received by the honourable member and others were sent out by the Centennial Corporation because at that point in time it wasn't clear whether the Secretary of State's Department in Ottawa would be able to get the tickets out in time. Really I suppose it's duplication of effort but one doesn't cancel out the other. The honourable member, I'm not sure from his question whether he is in doubt as to which ticket supersedes the other or what. The fact is that anyone who has received an invitation to be aboard the train and at the ceremonies tomorrow at Lower Fort, whether the invitation comes from the Province of Manitoba or the Secretary of State's Department, Ottawa, is equally valid.

MR. CLAYDON: A supplementary question, Mr. Speaker. It's a rather important item at this time because it's getting so close to the day. These tickets are numbered whereas the big tickets are not numbered. I wouldn't want to see somebody embarrassed by going to the train with the big ticket then told they have to have the one that's numbered, that comes from the Secretary of State in Ottawa.

MR. SCHREYER: Mr. Speaker, all I can suggest is that honourable members who have invitations should have them with them tomorrow. If they happen to have two invitations they should have both with them. I really cannot answer for whatever has been done by the Secretary of State's Department. All I can indicate to the honourable member is that whoever has received an invitation, whether it be from the Secretary of State or whether it be from the government of the Province of Manitoba, they are both valid. I will undertake to check further but I'm sure that the information I receive will not alter the substance of what I've just said.

MR. SPEAKER: The Honourable Member for Roblin.

MR. CLAYDON: . . . Mr. Speaker. Did I make it clear to the First Minister that the tickets were not from the same source?

MR. SCHREYER: Yes.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): A further supplementary question, Mr. Speaker. Is the registered name of this famous train the Claydon Cannonball or the Prairie Dog Special?

MR. SCHREYER: The honourable member is referring to affectionate nicknames.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK: Mr. Speaker, a question related to this to the First Minister. A number of questions have been asked about the decorations surrounding the Legislative Building, the colour schemes and so on, but one in particular is the emblem on the speaking platform, particularly on the west side of the building, that the main feature of it is the "Ban the Bomb" insignia painted on the top of the platform. Does this reflect government policy or pourquoi the insignia?

MR. SCHREYER: Well if the honourable member is serious about that description I shall have a look. I'm not aware of any particular insignia.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Honourable Minister of Cultural Affairs and ask him if he can advise the House whether the problems and the controversy surrounding tomorrow's rock festival have been resolved?

HON. PHILIP PETURSSON (Minister of Cultural Affairs)(Wellington): Mr. Speaker, the rock festival that is being held -- you mean the one at Manisphere? Government is in no way involved with that festival. This is purely a private venture that is being put on in connection with the Manisphere festival or whatever we call it. The Centennial Corporation or the Government are not in any way involved with it and therefore have little knowledge of the inner workings or the outer workings of that festival.

MR. SHERMAN: Mr. Speaker, I'd like to ask the Minister a supplementary question if I may, based on his contention that the government is in no way involved. Has the government talked to Manisphere at all about resolving some of the differences of opinion particularly in the area of cost, in the area of price, in the area of disenchantment where young people are concerned so as to forestall possible unpleasantness?

MR. PETURSSON: It's a private venture and I don't see that government has authority to step in to dictate to the people who are operating this promotion without giving the appearance of taking on powers it doesn't rightly have.

MR. SHERMAN: Mr. Speaker, I'd like to ask a further supplementary. I recognize that the Attorney-General isn't here but perhaps I could ask the Minister of Cultural Affairs if he would consult with the Attorney-General to determine whether precautions are being taken to insure that there will be necessary steps taken to deal with any disenchantment that expresses itself in unpleasantness tomorrow because the festival is being held on the site of the exhibition where other people will be in attendance. Could I have that assurance from the Minister?

MR. PETURSSON: Mr. Speaker, I'm sure that the law enforcement authorities are aware, or are as aware of what might transpire as we are, and that they would be fully prepared to take care of it.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): A point of privilege, Mr. Speaker. I wonder, it being 90 degrees outside if we could dispense with our jackets this afternoon? Would there be agreement in the House?

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Not as far as I'm concerned, Mr. Speaker, unless we move into committee.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Speaker, I'd like to speak on a point of privilege dealing with a matter raised by the Member for Fort Garry about a piece of pornography put out by the New Democratic Youth. I've just read the statement, I received it half an hour ago and it's a disgusting piece of literature, and I'm shocked that anybody with half a mind would print such garbage. The most shocking part is at the bottom where they're encouraging people to, what appears to come in there and make a crash as in Toronto. I only hope that the police have sufficient reinforcement and enough billy clubs to use on the empty heads for anybody who suggests such a thing.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to direct a question and also a request to the House Leader. I wonder if he could not see to it that all members, or at least the Member for Churchill and myself would also receive a copy of the list of bills and to the various committees these bills are referred to.

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, I did ask the Clerk to do that and I'm sure that you will be getting that information.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, following on the question brought up by the Honourable Member for Fort Garry I would hope and trust that the Honourable Minister of Cultural Affairs will use his influence to see to it that everything is taken care of at the Rock Festival. I think this is rather important that the government take under consideration this matter.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I was wanting to ask a question of the Honourable the Minister of Industry and Commerce but now that the Member for Elmwood is there with his yellow jacket I wonder would I be permitted to ask him a question? That was just in good humour. I wonder would the Minister of Industry and Commerce be prepared to give me a report of the Grandview Development Corporation as they proceed with the rapeseed development program that's under way at this time?

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): I'm not sure whether I caught all your remarks. A progress report of the Grandview Development Corporation? Or are you talking about the Parkland Development Corporation?

MR. McKENZIE: Mr. Speaker, with your permission. The Grandview Development Corporation as they proceed with the feasibility and the possibility of a rapeseed plant in that community.

MR. EVANS: Well, Mr. Speaker, I indicated to the honourable members of the House some weeks back that my department had prepared a market survey and other studies on rapeseed, possibilities of crushing rapeseed in the province, and that we made these reports available to various interested parties including the one mentioned by the Honourable Member from Roblin. However, their progress on this particular matter is their particular business and at this moment I'm as anxious as you are to see what progress they're making.

MR. McKENZIE: A supplementary question, Mr. Speaker. Would it be fair for me to ask the Minister of Industry and Commerce to provide for me and the House the progress as of the possibility of that happening, within the next several days, there's no great rush, Mr. Speaker.

MR. EVANS: Mr. Speaker, I don't know whether it is my responsibility. You know there are many enterprising groups throughout the province that are attempting to encourage industry in their own particular towns and villages and cities, this is going on day after day and I don't feel particularly responsible for the actions of a particular group. We wish them well, but I'm not in a position to account for their activities and to account for their progress or lack of progress. We'll certainly help that particular group and any other group in the province develop industry in their particular area.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, on the same subject may I direct a question to the Honourable the Minister of Industry and Commerce. Could he tell us where matters stand now insofar as the rapeseed plant in Swan River is concerned? I believe the First Minister indicated that it could be a possibility and I wonder if the Minister has any comments on that particular subject at this time.

MR. EVANS: Well, Mr. Speaker, I can say that there is great interest in the development of this particular type of industry in the province and the department will assist to all extent possible. Beyond that I can't say anything further at this time.

MR. BILTON: A subsequent question, Mr. Speaker. I wonder if the Minister has encouraged the people of the Swan River Valley to create such a plant?

MR. EVANS: Well it was, if I recall, it was on the expressed interests of the people in the Swan River Valley, I think, that stimulated us into preparing this report, so to that extent I think we have gone to some extent to assist them.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I would like to address a question to both the First Minister and the Minister of Industry and Commerce as to whether either of them intend to sit in on the Public Utilities Committee Meeting to hear the concerns of the automobile insurance industry in Manitoba.

MR. SCHREYER: Mr. Speaker, I presume that the question was addressed to me, but since the question was put in terms of someone or someone else -- either/or -- who was the second person referred to?

MR. CRAIK: The Minister of Industry and Commerce, Sir.

MR. SCHREYER: Mr. Speaker, I'm quite aware of the substance of the statements made by insurance agents and therefore I don't know that the member's question has any relevance.

MR. CRAIK: Mr. Speaker, a subsequent question. My question was specifically with reference to the insurance industry which I would think that the Minister of Industry and Commerce represents.

MR. SPEAKER: Has the honourable member a question?

MR. CRAIK: Yes.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Minister of Municipal Affairs. The question was meant for the Honourable Member for Osborne but I recognize I can't ask a question of the Member for Osborne, so I ask the member through the Minister of Municipal Affairs. Has the Member of Osborne indicated to the Minister of Municipal Affairs the results of the poll taken by Mr. Vannan and the Honourable Member of Osborne as a result of the challenge taken up by Mr. Vannan in the recent Public Utilities meeting?

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): I suggest that the Honourable Member for Lakeside step out with the Honourable Member for Osborne about 3:30 for coffee and probably he could be updated on it then.

MR. ENNS: A supplementary question, Mr. Speaker. Can the Minister of Municipal Affairs verify yes or no that in the hour or two spent by Mr. Vannan and Mr. Turnbull they could not find one person in Manitoba in favour of government automobile insurance?

MR. SPEAKER: The Honourable Member for Riel.

MR. IAN TURNBULL (Osborne): On a point of privilege, Mr. Speaker.

MR. ENNS: You found one? Good for you.

MR. TURNBULL: The Member from Lakeside....

A MEMBER: You finally found one.

MR. TURNBULL: Do you want some truth over there or do you want to

MR. SPEAKER: Order, order, order please.

MR. TURNBULL: On a point of privilege?

MR. SPEAKER: Order please.

MR. ENNS: Mr. Speaker, I don't think the honourable member has a point of privilege.

MR. PAWLEY: The question first was directed to me and I'm sure since the honourable member is so desirous of obtaining the information that he and his colleagues across the way would be most anxious to give the Honourable Member for Osborne leave to make his statement in the House.

MR. SPEAKER: Does the honourable member have leave to make a statement? (Agreed)

MR. TURNBULL: Thank you, Mr. Speaker.

MR. WEIR: we have no hesitation in granting leave for a statement for the honourable member providing the same rules are accorded in terms of reply.

MR. GREEN: Mr. Speaker, then let's just carry on with the business of the House. The honourable member can make his statement by press release or otherwise. We don't intend to have another debate.

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

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I rise on a point of privilege, at least I hope it's a point of privilege. It's relating to a newspaper article in the Tribune of today which deals with an incident that happened last night. There are three mistakes in one paragraph -- (Interjection) -- However, it refers to me as the Member for Wellington, which is incorrect, it mixes up sequence of events; and I'm accused of having accused Mr. Molgat and the Opposition of filibustering and apparently he then became involved in an argument with myself and Mr. Turnbull. The sequence of events was reversed. He first made a statement about myself, called me an arrogant bastard and he didn't call Mr. Turnbull that -- (Interjection) -- yes. And then I suggested that he was filibustering.

A MEMBER: What did he say to that?

MR. SCHREYER: Mr. Speaker -- (Interjection) -- well, yes, Mr. Speaker I was rising on a point of order but I wasn't prepared to speak till there was quiet. My point of order, Mr. Speaker, is that the Member for Lakeside made some reference to the Honourable Member for Osborne. Normally -- well not normally, it is not in order to ask a question of a person other than of the treasury bench but since the Member for Osborne was referred to, I believe that if there was anything that was said that he regards as a matter of privilege then it doesn't require leave at all; it's simply a case of his rising on a point of privilege, and I believe that this is what the Member for Osborne was wishing to do.

MR. ENNS: Mr. Speaker, before the Member for Osborne rises to speak on a point of privilege, let me make it perfectly clear that I prefaced my remarks and directed my remarks specifically to a member of the treasury bench, namely the Minister of Municipal Affairs,

(MR. ENNS cont'd.). . . . because I was well aware that I could not make any remarks or comments on the Member from Osborne. However, having said that, I'm more than happy to accept the remarks of the Member for Osborne that he may have in this case.

MR. SPEAKER: If the honourable member has a matter of privilege which he wishes to bring before the House, he may do so at this time.

MR. TURNBULL: I do, Mr. Speaker, on two matters of privilege now, the one compounded by the first. The first matter of privilege is the one by the Member from Lakeside who is given, I think, to treating the rules of this House lightly in order to make a point whether the point is accurate, honest, truthful, or whether it is a lie and deceit. That is the first point of privilege, Mr. Speaker. Yesterday evening between six and approximately quarter to seven, the Chairman of the Western Advisory Board of the Insurance Bureau of Canada Mr. Harley Vannan and myself did go out into the constituency for the purpose, I thought in conversing with him of educating ourselves as to the opinions of the people of Osborne constituency on the matter of public auto insurance. I gather, as no one in the government knew of this engagement except myself, I gather that either the Tribune or the Free Press have a direct line into Canadian Indemnity and the Insurance Bureau of Canada or that Mr. Vannan's staff informed the press of this tour of my constituency and the press attended. And there was a photograph in the Tribune showing us conversing with one of the two people who were in favour of public automobile insurance and I might say that although the sample was rather small, there were two people in favour of public auto insurance and one who was not in favour. So the odds are - for the Member for Lakeside's edification - two to one for public auto insurance. And I am sure Mr. Speaker. . .

MR. SPEAKER: Is the member still speaking to a point of privilege?

MR. TURNBULL: I think I am, Mr. Speaker, yes.

MR. SPEAKER: The Chair would appreciate hearing the matter of privilege.

MR. TURNBULL: The first point of privilege that I mentioned, Mr. Speaker, is the one based on the Member for Lakeside's lies in this House when he tried to make out that there is not one person in Osborne constituency in favour of public auto insurance when, as I've already related, the odds were two to one in favour. I think Mr. Speaker, that when one member of this House makes deliberate misrepresentations as the Member from Lakeside is so fond of doing, that that is a point of privilege and that is the first point of privilege that I'm dealing with.

May I continue with my second point of privilege? My second point of privilege arises from ~~the first~~. The first point of privilege I think I've made fairly clear. The second arises from the Member from Lakeside's loose play with the rules of this House. He is fully aware of the stipulation that prevents a member of the Opposition from asking anyone in this House except those who are members of the Treasury Bench.

MR. SPEAKER: Order, order, please. On that particular point, I believe that there was comment made on it from the government side of the House. The Honourable Member for Lakeside did offer an explanation which impressed me as having met with the satisfaction and approval of the House and I really see no point pursuing that matter any further. Orders of the Day. The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I wonder if the honourable member. . . .

MR. ENNS: Mr. Speaker, I'm sorry but I believe that in speaking to the same point of privilege, have an opportunity to make a comment or two?

MR. SPEAKER: The honourable member did.

MR. ENNS: Well, Mr. Speaker, I believe that subsequent to the few remarks that I made that I subsequently have been accused of lying to this House, of deliberately misrepresenting facts to this House, and if ever there was an occasion for a position of privilege, I think that I have that position of privilege.

MR. SPEAKER: I was thinking of the other matter that was raised. The Honourable Member for Lakeside may . . . on a point of privilege.

MR. ENNS: Mr. Speaker, on the first question of privilege raised by my friend the Honourable Member from Osborne.

MR. SCHREYER: Mr. Speaker, I rise on a point of order. I'm not suggesting that the Honourable Member from Lakeside may not have a point of privilege; he may have and that's for the Member for Lakeside and you, Sir, to decide. But my point of order is to attempt to have it clear that the point of privilege raised by the Member for Osborne is not something upon which there can be further comment or debate. If the Member for Lakeside has, in turn, his own point of privilege, that's of course another matter.

MR. WEIR: Mr. Speaker, in terms of a point of order, I had kind of the understanding a point of privilege maybe had precedence over a point of order and we were really in the process of discussing a point of privilege before we were interrupted on a point of order in relation to it and if you want my impression of what really happened Mr. Speaker, was we didn't have a point of privilege from the Honourable Member for Osborne but we really had a statement.

MR. SCHREYER: Mr. Speaker, that may be the impression of the Leader of the Opposition but clearly the Member for Osborne was not making a statement, he was speaking to a point of privilege and if it was felt by the Chair that there was no point of privilege, the Member for Osborne should have been so advised. I come back to the Member for Lakeside. I must say to my honourable friend, the Leader of the Opposition, that a point of privilege does have precedence over a point of order but it was not clear whether the Member for Lakeside was rising on a point of privilege. It wasn't clear whether he was doing that or whether he was attempting to comment on a point of privilege raised by someone else.

MR. WEIR: Mr. Speaker, on the same point of order now that we've interrupted the Honourable Member for Lakeside, may I say that it may not have been obvious to the First Minister but it was certainly obvious to you, Sir, because you had recognized that as a point of privilege and had allowed the Member for Lakeside to speak on his point of privilege and while the First Minister may have ignored that fact completely, certainly, Sir, it hadn't gone by your notice. And may I say Sir, that I'm going to see that Hansard, a copy of it of this date is kept in the House of every member of our Party, so that the precedent established in terms of what is a matter of privilege in the House will be recorded.

MR. SCHREYER: Mr. Speaker, I'm happy to hear the Honourable Leader of the Opposition say that he would have a copy of today's Hansard available to members on his side because in doing so, he will be able to see for himself how irrelevant to the point of order under discussion his last outburst was. I say again, Sir, that if the Member for Lakeside is rising on a point of privilege then that is clearly within the rules. If he's attempting to comment on a point of privilege raised by someone else, that is, I suggest, not within the rules. And I ask you to take that under advisement.

MR. ENNS: Mr. Speaker, I take my source of reference to rising on the point of privilege directly from the First Minister who, after all, rose on behalf of the Member from Osborne, after I had directed the question to the Honourable the Minister of Municipal Affairs, but because the Honourable First Minister thought that I had imputed certain suggestions or motives to the Honourable Member from Osborne, the Honourable First Minister rose and perhaps correctly so, because quite frankly I did impute those motives to the Honourable Member from Osborne. And the First Minister rose and suggested to you Sir, that therefore the Member for Osborne had a legitimate reason for rising on a point of privilege. Well having then established and we accepted that and we allowed not only the Member from Osborne to make his point of privilege but, in fact, as my leader has suggested, make a statement. Now I'm suggesting that in the course of that statement, he has accused me personally of lying to this House, among other things, and that if that doesn't constitute an opportunity for me to rise on a point of privilege to reply, then Mr. Speaker, I'm very sadly mistaken and quite frankly I do not intend to pursue the question unless you give me a clear ruling and indicate to me that I can pursue on the point of privilege. I intend to proceed on a point of privilege.

MR. GREEN: Mr. Speaker, the First Minister has clearly indicated - and I'd like to speak on it because I'm sure the Honourable Member for Lakeside wishes to be fair - the First Minister says that if you are rising on a point of privilege relative to a charge that was made against you, you have a perfect right and nobody questions that. And this is what the First Minister said, Mr. Speaker, and you yourself had that initial impression so it was an impression that anyone of us could get that the Member for Lakeside intended to get into a debate with the honourable member on the substance of his point of privilege and that clearly is not within the rules. But if the member is rising on a personal point of privilege relative to remarks that were directed against him, nobody questions that and he needn't be righteously indignant about it; he can go ahead and make his point of privilege.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, on another question I would like to draw your attention to the billboard that is placed in front of the Member for Sturgeon Creek and ask him to remove it from the Chamber.

MR. BILTON: Mr. Speaker, on a point of privilege and everything that has been said I'm sure that the Honourable the First Minister having heard what I have heard from the Honourable

(MR. BILTON cont'd.) Member for Lakeside, that he does not condone and allow it to pass that the Honourable Member for Osborne has said what he has said and not allow the Honourable Member for Lakeside to make his opinion clear and clear this whole matter up, because he has been accused of lying to the House.

MR. SCHREYER: Well, Mr. Speaker, I feel I must rise now. I said more than once in the course of the past few minutes that if, in the judgment of the Member for Lakeside, he feels that what was said by the Member for Osborne constitutes a point of privilege, he has every right to rise in his place on a point of privilege. My purpose in rising Sir, was simply to attempt to have it clearly understood that the Member from Osborne was speaking on a point of privilege and was not making a statement obviously because leave had not been requested nor granted. Therefore he was either speaking to a point of privilege or he was out of order. Since he wasn't called out of order, I assume he was speaking to the point of privilege. Now the Member for Lakeside may disagree with what was said by the Member for Osborne, which is one thing, but he may not debate it, but if what was said by the Member for Osborne is such that the Member for Lakeside feels that his character was impugned then he has a point of privilege to pursue and it's open to him right now to do so. So I really don't know what the conflict is about.

MR. SPEAKER: I believe the Honourable Member for Lakeside has stated his point of privilege in sufficiently clear terms to honourable members of the House and seeing that there's no response, I will take the matter under advisement. I'd like to review Hansard at the first opportunity that I have to do so, whenever that shall be.

MR. BILTON: Mr. Speaker, I hesitate to interrupt you, Sir, but you're assuring us that this matter can be carried on from that point after you've made your decision?

MR. SPEAKER: I'm sorry I missed the initial remark of the honourable member.

MR. BILTON: I take it you're taking the whole matter under advisement as to whether or not the Honourable Member for Lakeside can rise to his own defence in being accused of being a liar.

MR. SPEAKER: The Honourable Member did speak to his own defence.

MR. WEIR: Mr. Speaker, on the point of order, I understand, Sir, that you were taking the matter under advisement. But in terms of taking the matter under advisement till you have an opportunity of perusing Hansard, may I humbly request Sir, that you don't report on the matter until such time as the Member for Lakeside has also had an opportunity to peruse Hansard, seeing as how we're running about four days late, three days late in getting Hansard.

MR. GREEN: Mr. Speaker, before the Orders of the Day I would like to indicate that in discussion with my honourable friend the Leader of the Opposition . . .

MR. SPEAKER: Before we leave this matter, I really wonder whether it's worthwhile for me or for anyone in this House to go through this exercise. I'm sure that there is a way to put an end to it.

MR. ENNS: Mr. Speaker, there's a way to put an end to it if you'll give me two minutes of your time and the House's time to express my position on a point of privilege that I think that I - that has been . . .

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. I was awaiting the obvious. Because Mr. Speaker the Honourable Member for Osborne inferred and perhaps it indicated a sensitivity on his part because of his experience last night in the company of Mr. Vannan. But I want him to read very carefully the Hansard of tomorrow, that I suggested to the Honourable Minister of Municipal Affairs, my question put to the Honourable Minister of Municipal Affairs was - and I may not be paraphrasing it correctly or accurately word for word but I think the gist of it is there - that could the Honourable Minister of Municipal Affairs report to the House what was the result of the poll taken or the amateur poll taken by the honourable Messrs. Vannan and Turnbull last night with respect to Bill 56, Compulsory Government Automobile Insurance. And quite frankly, Mr. Speaker, I admit that I, not holding all that suspect for the press, although they are a bunch of demons, but generally they report the news as they see it happen in this House and we may not like it but it happens to be the way those honourable people see it up there but they saw it and reported it and Mr. Speaker, it's one of those few avenues that is open to us that we have in the members in the positions of the Opposition, for research material. You know, Mr. Speaker, we often malign the press and yet Mr. Speaker, what is the first thing that we - particularly in Opposition - grab at the first or turn on the radio first in the morning,

(MR. ENNS cont'd.). . . . CJOB, CKY, Tribune the Free Press because we want to know what the honourable gentlemen are doing, what new policies have been enunciated, and we want to know what's going on. So Mr. Speaker, I make no apology. While we often malign the press, the media, we blame them for everything and quite frankly I am now to some extent being accused of being a liar because I believed, I believed the report that was carried in the Winnipeg Tribune that suggested to me, that suggested to me that when Mr. Vannan of the insurance industry took up the challenge that was offered to him by Mr. Turnbull to meet him behind Salisbury House in his constituency and told his constituency about the matter of automobile insurance. First of all I'm sure, I am sure, Mr. Speaker, that that member did not think that that ungodly dog of capitalism, Mr. Vannan, would meet anybody behind a Salisbury House at seven o'clock in the morning. I am sure of that! For what purpose? Simply to test, simply to find out or gain public opinion? These people here don't think that nobody in private business gives a God-damn about public opinion! You people think that you have a God-given right and that you are going to exercise that right, and when Mr. Vannan suggests that he has enlisted public opinion, you can't believe it, and that's where he took the Honourable Member for Osborne off stride and off guard, and he met him and he canvassed him, and here you have a president of a company and a member of the Legislature knocking on doors -- (Interjection) --

MR. SPEAKER: Order, please. I'm wondering if the honourable member hasn't gone a bit beyond the limits of the matter of privilege to which he rose?

MR. ENNS: Mr. Speaker, I recognize. . . .

MR. SCHREYER: Mr. Speaker, I rise on a point of parliamentary privilege. Not on a point of personal privilege, but on a point of parliamentary privilege. The choice of language, leaving aside the substance of the charge made by the Honourable Member for Lakeside about members on this side not caring about the attitudes of those in private business, I can tell him that's nonsense. But anyway, leaving that aside, the kind of language that the honourable member, the kind of language, Sir, that was used by the honourable member is about as intemperate and uncalled for and contemptible as that used by the so-called New Democratic Youth in their Newsletter and I think deserves the same kind of restriction. . . .

MR. ENNS: Mr. Speaker, I accept, I apologize to the House and to the First Minister for the intemperate language I used. In fact his last admonition was on my mind when I thought about it. After all I did read the letter of the New Democratic Party Youth and I objected to it, and I apologize for debasing the House to the extent that I did just shortly in using that language.

Mr. Speaker, I don't wish to pursue the matter of privilege any longer. I am simply suggesting to you, Mr. Speaker, that a gentleman of the insurance industry was offered a challenge, it was taken up by the Honourable Member from Osborne. Now I am not party or privy to the fact, I wasn't there, with Mr. Osborne or with Mr. Vannan. I made the perhaps unforgiveable mistake of believing what was written in the newspaper. Now, I make mistakes sometimes when I listen to John Harvard, or Gerry Haslam or somebody else on the radio stations, but you know I actually believe that what those people up there were writing had some relative merits to what was going on, and it was on that case of. . . that my question was predicated on. I asked the Minister of Municipal Affairs, could he report as to, you know this is the irony of it, I didn't even believe him myself, I didn't believe him myself, because after all I've had some experience as a Cabinet Minister, I knew about all the gloom and doom, about South Indian Lake and what have you, and I didn't always believe them when they wrote all about that; so I wasn't taken completely off guard. I wasn't taken completely off guard. I asked the Minister of Municipal Affairs, I gave him an out. I asked him, were the newspaper reports correct, was the Tribune report correct with respect to reports. . . . Now, Mr. Chairman, the Minister of Finance is standing up, and I am finished, I want to assure you that I am finished. I have made my point. Thank you, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, I have some further information, if I may, to impart to the Honourable Member for Wolseley and others who were asking about the significance of two sets of tickets for tomorrow's program. I'd like to advise the honourable member that both sets are official, both are valid, either will suffice, or both.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I hesitate to bring up the matter again, but I wonder if the Honourable Member for Osborne would withdraw his comment indicating that my honourable colleague from Lakeside lied to this House.

MR. TURNBULL: If I may, Mr. Speaker, the member when he first asked the question,

(MR. TURNBULL cont'd.). . . . rose to ask that question, did not say that he had been reading the newspaper. We all know that newspapers report accurately and, therefore, Mr. Speaker, -- (Interjection) -- and, therefore I want to withdraw the remarks that I made about him and leave it at what he said he was doing, that is imputing motives.

ORDERS OF THE DAY - GOVERNMENT BILLS

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, we can proceed to Orders of the Day. Would you call Bill 115 at the bottom of page 3.

MR. SPEAKER: Second reading Bill No. 115. The Honourable Minister of Finance.

MR. CHERNIACK presented Bill No. 115 an Act to amend the Mining and Royalty Tax Act for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: As with all tax bills, this bill will proceed to Committee of the Whole and I would like to indicate that it is my proposal that it be left towards the bottom of the order paper on Committee of the Whole, to give members of the committee an opportunity to study the bill, make their own investigations if they so desire, so that when the matter is dealt with, it will be dealt with with as much background knowledge as is available.

I might indicate, Mr. Speaker, that in the budget address I gave an indication that I was not ruling out the possibility of the introduction of a bill on Mining Royalty and Tax Act, but I have been delayed due to not only the drafting of the bill but negotiations which took place, and are still taking place, I might say, to relate our proposed Royalty Tax with the practices of the Federal Government in relation to income tax. One of the factors that I learned was that there is some difference of opinion between the mining industry and the Federal Government on whether or not the full amount of Royalty Tax is deductible as an expense. I was surprised to learn this because I felt that it clearly ought to be since to me a royalty tax, mining tax, is something like ground rent, or as the expression is used in the United States "a severance tax". It is a payment to the people of the Province of Manitoba for the ore which is taken out of the ground belonging to the Province of Manitoba and used by the mining company to develop into refined metal. And I might say, that discussions have been going on and are continuing to be maintained with the Federal Government officials to resolve what I feel is a correct attitude which is that all taxes paid as a Royalty Tax to the Provincial Government ought to be considered as an expense of the company for income tax purposes.

May I say, Mr. Speaker, that we have studied carefully the relative taxation for royalty tax and mining tax and compared it with other provinces and generally measured the proposed impact which it would have on the industry. We've also taken the opportunity which, I believe, was a rather unusual step but I found it very worth while, of discussing with the major mine companies our thinking in an informal way of what sort of studies we were carrying on and the direction in which we were inclined to go. I felt that this was useful and they felt that it was useful, so that I am sure that although they did not know the particular provisions of this bill they were not surprised when they received it, and it was one which they had reason to believe they would expect. As to the details, of course, they were not aware of them to that extent, but as soon as the bill had been printed I instructed my department to send copies to all the interested companies, or those companies that were paying the royalty tax, to make them aware of it and we could hear further, but the fact is that I have had discussions - of course, not with all of them but with some of them.

Now to deal more specifically with the bill itself. I would like to just run through it quickly to indicate that there are some very minor housekeeping type amendments and there are some major changes.

The first one is one which follows through on the procedure that was kept up to now but replaces the word "director" for the word "assessor" and clarifies and sets out the procedures by which valuations will take place on non-arm's length transactions. Then there is a proposal that the royalty tax be paid, that the pace of payment be changed from a quarter yearly payment to a monthly payment, and those who are familiar with the way corporations pay income tax in a monthly installment will recognize that this is the same procedure; and I would indicate that here, as in the case of corporate income tax, the taxpayer has the right to adopt either one of two formulae - one would be payment based on the previous year's payment, or payment based on an estimated forthcoming year's payment.

(MR. CHERNIACK cont'd.)

Let me make it clear, Mr. Speaker, that this does not involve any change in revenue during this fiscal year. Suggestions have been made that there is additional money to come to the government as a result of this bill. That is not the case. The reason the bill is brought now is that it could be brought into effect on January 1st. I am informed that the January payments would be received in March, but even the last month of the fiscal year will not really be a factor in change because, since the payer has the choice of paying either the same as this year as an installment, or as an estimate on the expected for next year, it is obvious that the choice will be the lesser of the two, and it may well be that with the change in formula there may be even some reduction in the amount, but nothing appreciable that I can expect. But there is no reason to expect that there will be any increased revenue in this year; but certainly there will be increased revenue in the following fiscal year. Others of the sections. . . .

MR. GORDON W. BEARD (Churchill): Would the Minister permit a question now?

MR. CHERNIACK: Certainly.

MR. BEARD: This would not in any way discourage a company from further integration of their industry, would it? Would it encourage them to go further than say, smelting to refinery, or refinery to fabrication - in the province?

MR. CHERNIACK: I will deal with that question now, although it is really completely out of sequence, but I will deal with it now. No, it is quite all right.

To indicate that our exploration and our review has not gotten so far as to work toward some form of incentive to have the value added to the original ore body that would be if there's further processing encouraged within the province, there is no deterrent here, there is no change from the law in that regard, to what it was in the previous year, but we do hope, and we did hope but we still hope, that we will yet be able to build in an incentive and the problem there is to a large extent one of jurisdiction and the question of the BNA Act and the question of the establishment of tariffs, or the fear of the establishment of tariffs, as between provinces and commerce across borders.

The Province of Ontario has a law like ours that says that no ore may be taken out of the ground unless it is processed within Canada. Ontario has the best of both worlds in that it is not in conflict or threatening any jurisdictional fight, and yet it has the processing within Ontario, and therefore is pretty sure that if there is ore taken out of the ground in Ontario it will be processed in Ontario; but their law doesn't compel it to be done in Ontario, it says Canada and it works to their advantage. We haven't given this up, we are looking into it. At our meeting with the mining companies we have invited them to help us work in this direction and they have indicated an interest in it, and I can only report progress by saying we haven't given that up, but it's not in this bill.

Let me go back to the bill to indicate that certain sections are rewrites of the existing section and do not have any meaningful change. There is a change in regard to interest. I discovered, Mr. Speaker, that the present law appears to be that on late payment, the Minister has the right to charge a penalty of up to 10 percent of the amount of the late payment, and this then would, if exercised, would create a hardship if the full ten percent is done, out of line, I think, with a casual error, a slip in making a payment because it is not on the rate of ten percent per annum, but it's a flat ten percent penalty which could be -- well, we can imagine it could be many multiples of ten percent per annum; so that we have provided that there shall be a stated rate of interest for late payments of nine percent with a right to the Lieutenant Governor in Council to vary the rate which obviously will occur under such circumstances when a rate such as nine percent would become unmeaningful in relation to rates of interest which should be payable from time to time depending on the market situation. You certainly don't want to charge a rate of interest that is less than the borrowing cost of the mining company, because then they would be encouraged to be late at all times. We've had this kind of discussion in relation to municipal taxation. So there is that proposal to add the provision that rather leave it to the Minister to make a decision which gives him scope up to ten percent and incidentally does not give him the right in it to charge an interest rate but only to make it in the form of a penalty that this will be an improvement.

Then, Mr. Speaker - and I'm going more or less with the bill itself - the amount of tax, the rate of royalty tax is being increased and we did have some debate in committee -- I guess it was during the Committee of Ways and Means and I remember particularly discussing with the Honourable Member for Rhineland where I reported on a comparison of rates between the various provinces. At the present time Manitoba has been charging six percent on income and

(MR. CHERNIACK cont'd.) that is, the royalty tax is based on income, that's the calculation, six percent up to one million, nine percent on income over one million and up to five million and 11 percent on income over five million. The proposal will be to provide for payment of six percent where the annual income is not in excess of \$50,000 and fifteen percent on all the income, if the income exceeds \$50,000 in the year. And this is the rate which is being charged in Ontario. It is lower than British Columbia only to the extent that British Columbia charges fifteen percent on income in excess of \$10,000. But British Columbia's charge is nil on the first ten thousand and fifteen percent on all in excess of ten thousand. Ontario is nil -- well Ontario is the same as I've indicated, is set out in this bill. Quebec is nil on the first fifty thousand, nine percent up to a million dollars, eleven percent for the next million, thirteen percent for the next two million and then fifteen percent thereafter so that in the larger income brackets we will be the same as Quebec, same as Ontario, same as British Columbia and this we felt was a proper one to be charged by us.

Now there is another major change and that is the tax relief feature which was made available to mining companies in the past to charge one-half of the royalty for a thirty-six month period. We have accepted again the formula -- no, we are going towards the practice in British Columbia, in Ontario, in Quebec, in New Brunswick, in Nova Scotia and in Newfoundland in charging the full rates. But we felt that it was only right that we delay the bringing into effect of the full rate until January 1st, 1973, so that mines that are now in operation and have started their 36-month cycle will be able to continue it until January 1st, 1973 and then of course it would go back to being the same as the other provinces that I have mentioned. And I needn't repeat myself on that.

Finally, Mr. Speaker, I would like to comment on a departure in this field which will take honourable members back to many other instances but the closest at home and one of the more recent is what happened in Bissett when San Antonia Mines closed up with inadequate ore bodies. It was our feeling then -- when I say this -- our party's feeling and I had the opportunity to speak on that, that there should be some way that there be an item set aside for depreciation of human resources and of community stability just like companies are permitted to depreciate for machinery, for equipment, for buildings and for mines themselves so should there be some sort of fund set aside for the purposes of attempting to rehabilitate or at least relieve the burden on communities which are hurt because of the sudden or even the anticipated closing down of a mine because of a depletion of ore reserves. We therefore propose that a special mining community reserve be established to enable the Lieutenant Governor in Council to take out of the royalty tax revenues an amount up to three percent per year of the royalty tax or three percent of the royalty tax received in any fiscal year and deposit it in a special reserve fund. I would indicate that the three percent is roughly equivalent to one-half of one percent of the fifteen percent tax; in other words the tax which has been increased to fifteen percent would really be in this way, if used to the fullest by the Lieutenant-Governor from time to time, would really be a fourteen and a half percent tax and a half percent of income could be set aside for this fund.

The purposes of the fund are rather clearly defined, at least I hope they are, I intended them to be, and I want to read specifically: "that the expenditure from the reserve may be for the welfare and employment of persons residing in a mining community which is adversely affected by the total or partial suspension or the closing down of mining operations attributable to the depletion of ore deposits." We make it clear; we want it related to depletion of ore deposits and then give various powers in which this reserve can be used. "It is proposed that the reserve be permitted to rise up to five million dollars and thereafter any income or any accretions to the reserve beyond five million could then be turned back to general consolidated revenues." By the time that's reached -- that'll take a little while and I presume that it would be possible to revise, well it certainly is possible -- that figures could be revised in the light of anything that is learned later as to what should be a proper amount.

Finally I think that I should answer the question which I expect I should be asked and that is, what will be the effect on taxation in this item in the following year as a result of this bill. I would indicate that the anticipated revenue for the current fiscal year on this item is three million dollars. It is expected that with the increase of the rate that it should bring in approximately an additional two and a half million dollars.

Mr. Speaker, I'm not sure that I covered all that I wanted to cover and I probably have not covered all that I will be asked to cover. I'll be prepared to answer questions now or on the closing of debate and I would like to suggest that members consider the speed with which

(MR. CHERNIACK cont'd.). . . . they want this bill to go to Committee of the Whole or whether they want to debate it on second reading rather than at committee. But I do want to indicate that I have no thought of trying to rush this bill through at any stage as long as we can get our work done and get out into the sun rather than feel as if we are in the sun all the time.

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

MR. CRAIK: Mr. Speaker, I believe that I'll speak to this bill despite the fact that it is an extremely important measure and we received the bill, it was distributed only yesterday but I think it is appropriate to begin the discussion of it at this point and for that reason I would like to make a few remarks pertaining to it.

I think it is appropriate that this bill is introduced in the inimitable style of the Minister of Finance when he introduced it by saying first of all that there are a few minor housekeeping changes and with that very soft soap introduction, Mr. Speaker, we're led into one of the most significant pieces of legislation regarding taxation that has been presented at this session of the Legislature. It brings in a measure which will at least double, when it gets into operation, the amount of money to be brought in from the Mining Royalty and Taxation Act. The Minister has said that the present royalties are three million, this will increase it by two and a half. I think, Mr. Speaker, in all fairness the Minister should state that by the time that the allowance on the three year allowance 50 percent forgiveness is taken into account by the first of January, 1973, that by that time the added amount brought in by this bill will probably be at least four million dollars a year and probably between four and five million dollars a year.

Taking into account also, Mr. Speaker, that the major companies in northern Manitoba have since 1966 been on a major development program that saw totally for one company alone put two hundred million dollars into development and I'm quoting now from the figures that I recall as being announced a couple of years ago. And this was the development program, these mines were to come into production, Mr. Speaker, about now or over the course of the next one or two years. And it's my estimate, Mr. Speaker, that this bill will not bring in an additional two and a half million dollars three years from now; it will be the equivalent of bringing in an additional four or five million dollars that may be calculated on the basis of practical fact. So let's not, Mr. Speaker, suggest that we're dealing with something that is a minor tax measure. The tax measure that is being proposed by this bill will at least double the amount of money now reclaimed from the mining companies.

Now the question I suppose is whether or not this is a legitimate amount of money to be recovered from the mining companies. Certainly on the surface I would think that the average citizen would probably say that any company that is going to operate in the extract of resource field should pay for what they take from Mother Nature, take from the people of the province who are the rightful owners of the treasures of our land. But, Mr. Speaker, I think that it would be fallacy to not recognize that the mining companies do pay tax at the same rate that any other corporation pays tax and, in addition, pays the mining corporation tax on top of it. The corporation tax in the bracket in which our major mining companies operate is a 50 percent tax and the mining tax is added to it. With the added amount of the fifteen percent tax on everything over \$50,000, which effectively covers all the ninety-whatever percent you like of production in Manitoba, that by the time you add the fifteen percent tax proposed by the Minister of Finance in this bill and take into account the changes being proposed by Mr. Benson's White Paper which writes off the three-year forgiveness period on federal tax and now effectively reduces the -- by the first of January, 197... , the Manitoba exemptions from this portion of it, the total tax which our mining companies will be paying will be about 60 percent. Now this is a rough estimate, Mr. Speaker, so you can see that the mining companies are in fact paying a much greater tax rate than even the largest of Manitoba's industries. And so we can't look at this in isolation and say that a mining company is taking all our buried wealth and paying us back heretofore only a variation between six, nine or eleven percent and we're going to change this to fifteen. This is not the fact. I think we should make it very clear that by the time the Minister of Finance is through dealing with the mining companies and Mr. Benson is finished dealing with the mining companies in the proposals in his White Paper, that the mining companies in a province like Manitoba, which is in a development stage that is comparable to the stage that existed in the Sudbury area probably 40 or 50 years ago, is going to be paying a taxation rate which is of the order of 60 percent, 60 percent of their earnings to the combined Federal and Provincial Governments. And let us recognize what these people are being faced with.

(MR. CRAIK cont'd.)

Now, Mr. Speaker, I want to refer directly to another clause of the Act that has been mentioned by the Minister, that is with respect to the three-year period when the mining companies were able to write off or go into a 50 percent provincial tax - 50 percent of the normal - during the initial three years of production when they were writing off the additional costs that are associated always with the exploration and development of a new mine. By the first of January, 1973, this write-off will no longer be possible. This means that the small mining companies who have relied most heavily on this tax incentive to provide them some tax relief in this initial period when they were trying to write off some of their heavy capitalization no longer have this available to them and I think probably that clause is going to work more hardship on the new development of mines in Manitoba than the actual change in the absolute amount of tax that is going to have to be paid by those, once they are out of this three-year period. It's that clause in the Act, more than anything else, more than the heavy taxation clause, that actually should be of concern to those who are concerned about the development of mining in Manitoba.

Now rightfully the Minister of Finance has said that Ontario is in a fifteen percent tax bracket. I would point out that in the first \$50,000 of income Ontario has no tax. The Minister pointed this out and due credit to him but in the first \$50,000 of taxable income Ontario does not have any tax. Manitoba has six percent and following. . . .

MR. CHERNIACK: . . . member would like me to assure him that it's the same as ours, Ontario; so I'm informed.

MR. CRAIK: So if Ontario has changed it this year that could be so, but it wasn't. My information is a year old, so if they've changed it this year then I stand to be corrected but beyond that, Mr. Speaker, Ontario is fifteen percent and that is the same as Manitoba. In Saskatchewan, our other neighbour, the taxation rates are much much lower and in addition to that, Saskatchewan has seen fit to make grants, exploration grants which would be written off by the province if the exploration was not successful. Now this has been done, recognizing the fact that the development of new mines is all important to the Province of Saskatchewan.

MR. CHERNIACK: Don't we do that?

MR. CRAIK: They have been extremely interested in seeing that new mining activities do develop and it covers the 100 percent total area of Saskatchewan. We have a provision for this sort of incentive on the east side of Lake Winnipeg in Manitoba which covers only a very minor sector of the Province of Manitoba, so Manitoba, in effect, traditionally heretofore up to this point has recognized the fact that mining incentives are not particularly effective when you're dealing with large companies. The INCO, the Hudson Bay, the Sherritt Gordon and so on, are pretty well in charge of their own exploration programs and mining incentives are not particularly effective in providing the tariffs that brings about added exploration and development of new mines. Therefore Manitoba has never applied that incentive to all of Manitoba, but they have applied it on the east side of Lake Winnipeg in the area where there are a great variety of the rare metals for the small companies to become involved; and the incentive program has applied there for several years in the hope that small companies would initiate, explore and develop.

So to go back to the comparison with Saskatchewan. Saskatchewan has seen fit over the last period of years to provide, not only the incentive across the whole of the province but to provide a taxation system that ranges five percent, seven percent and a maximum of nine percent as compared to Manitoba's at that time which varied six, nine and eleven; and now Manitoba has gone to fifteen, but nevertheless we're still a province that requires development of our mining industries.

So Mr. Speaker, what we are doing by this bill and what the government is proposing by this bill is to put our mining industry in the highest taxation bracket in Canada. It's equal on the basis of the Mining Royalty Tax Act with Ontario; it's the same roughly as B. C. I'll admit that the Mining Tax is roughly the same as the highest in Canada and what you might call the major mining provinces, and Manitoba's hardly into that era. But when you combine it with the higher corporation tax rate which was imposed by this government in 1969 by the legislation, it puts the mining industry in Manitoba - by eliminating the three-year write-off period, by going to the 15 percent royalty and by making the added corporation tax of 1969 - the highest taxed mining industry in Canada. So let there be no mistake: Bill No. 115 is not a minor bill, it's a major bill and let there be no mistake about what it does. It provides the highest mining tax rate in all of Canada.

(MR. CRAIK cont'd.)

Now Mr. Speaker, the Minister has referred to the last section of the bill which provides a reserve in the event that a mining community has to close and certainly government has to make the provision by one way or another for this sort of eventuality. He has cited the case of Bissett where the gold mining operation there found itself in difficulty, not because of the quality of the ore, but because of the general plight of the gold mining industry and it was required that the mining community there actually curtail its operation because of the financial difficulties which they were involved in. The community underwent a period of hardship and there had to be a conscious decision by the government in that particular case as to just how the community should be handled. It was well realized that the community was going to undergo a difficulty, but to trace the actual history of it, the community underwent a period of attrition with the community actually knowing what was going to happen to it. As a result of that there was a depletion of the general manpower possibilities in the area, the manpower facility and the decrease in the commercial facility. So when it finally closed there was a much less requirement than there was in the days when it was at its full peak of operation. So the government's responsibility at that time was to ensure that the facilities of the town were guaranteed so that the people would not be put to undue hardship, which I think is government's responsibility.

The Welfare Department was solicited, a Task Force was set up, their help was solicited, the mining people were involved, the municipal authorities were involved and a program was instituted that would supply guaranteed services to the remaining community, guarantee job placement in other areas by the manpower people who were also involved and by and large the problem was probably ameliorated just through normal government action. Now this is not to say that the reserve funds could not serve this purpose. Certainly money is required and perhaps it is good judgment not to rely on your regular department such as welfare, municipal affairs and your mining branch to carry extra expense when a mining community does see the requirements close down.

So by and large the provision of a fund for this purpose can serve a useful purpose but the amount that's going to be provided by this, as I understand the rating, is three percent of the collected royalty, which three percent of fifteen which would be the case of the major mining centres, means that you are really putting into a fund a half of one percent so that half of one percent roughly of the income of the companies to provide this fund. Now I suppose the question arises as to whether or not a community might not, with the awareness of this fund, then feel that all is well with them, regardless of the state of the industry in their town that the government has a fund that is going to look after them. However, this is something that has to be considered. It's something that in balance is perhaps a good thing. I don't think I'm really in a position to pass judgment on it. The government has seen fit here to provide for this eventuality and I think it probably will add some comfort to people living in those mining towns where they feel that the possibility of their extinction is being looked after. I think perhaps, Mr. Speaker, this would be a good time to point out that it is perhaps too bad that the government cannot take a similar approach to those people in the automobile insurance business who are going to be, not by Mother Nature, not by Mother Nature's doing, but by the doing of people being forced into a situation that is in many respects going to be far worse than those that are going to be experienced in mining communities who know years ahead when they see the handwriting on the wall, that changes are going to have to be made and this Mr. Speaker, points up the incongruous part of providing in this Bill 115 for the eventuality of the displacement of people by an act of God; whereby an act of people, an act of a government, a group can be thrown out, lose sixty or seventy thousand dollars in one throw and be compensated \$85.00 in return. This Mr. Speaker, is the inconsistency of the program which is provided in Bill 115 for the mining communities of Manitoba. I would much rather see the provision that is put in Bill 115 added into the provisions for the protection of the human rights of people of Manitoba that are endangered by the actions of government, not by an act of God which the government is trying to protect against in Bill 115.

Mr. Speaker, with those remarks, I would suggest finally to the government that the one section of Bill 115 in terms of the basic economics, the section that is going to be the one that they should question seriously, is the three-year write-off period with its impact on the small mining endeavours that may start in Manitoba. The aspect with respect to the 15 percent tax rate is important in that it does put our industry, combined with the corporation tax instituted in Manitoba in 1969, puts them into the highest tax bracket in Canada at a period where

(MR. CRAIK cont'd.). . . . Manitoba can ill afford to discourage the development of our mining industry at a time in Manitoba's history where its north is by far its most important frontier at the present time, and I do question the overall policy of the government at this time. I realize that they need the money and they're going to get it, although it has not reflected itself in the estimates of revenue that I can see and I assume this is because it does not come in until the 1st of January of next year, therefore there's only three months that will show up in this fiscal year.

The other question that I think is a legitimate one, is why they have selected the 1st of January, 1973, as the deadline for the 50 percent tax write-off for the first three years of operation because in the proposals of the Federal White Paper the deadline is set as the end of January, or December of 1973; so there's a 12-months' difference between, as far as I can see, between the deadline that you have set here and the deadline that has been proposed by Mr. Benson in his White Paper on taxation, so it seems to me that in the interests of the people that are trying to calculate the tax, that you might well consider trying to make your date coincide with those of the Federal Government. But again Mr. Speaker, we talk about coordination of taxes and what we really are saying through this is that we're still in the same tax jungle - we're going off and going to tax our mining industry with pretty well complete sort of ignorance of what the Federal Government is doing. I know the Minister has mentioned primarily a point here that he has been attempting to discuss with the Federal Government whether royalty tax is not a deductible tax, but this really is not a major point. The point of it all is whether or not we're attempting to coordinate our taxation of our mining industry with what the proposals are of the Benson White Paper, and the dates that you have given in here, Mr. Minister, indicate to me that you are not making any particular effort to provide an overall tax plan, taxation policy that the Minister has talked about at great length in this House, the taxation policy, and they're going blandly ahead extorting as much money as possible from the mining industry with no particular evidence of coordinating it with the proposals of the Benson White Paper.

MR. CHERNIACK: Would the member permit a question? Can he please give me the effective date of the new legislation that will carry in the Benson White Paper into actual legislation?

MR. CRAIK: Well, I think the Minister knows the answer there, that there's no date on the legislation, but the proposal on the White Paper is that it would come into effect the end of December 1973.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I certainly do not intend to hold up the bill on second reading. I have not the same facilities at hand as the previous speaker, and no doubt he has had much wider experience, having been an executive member of the previous administration, and I am sure that he has had much wider experience so anything that I might say probably has not, and no doubt does not carry the qualifications with it. Normally I am not in favour of tax bills and I don't think that I've been on record so far as voting in favour of any tax bill in this House - but on this occasion I feel differently about it. I know we've discussed the matter of royalty and mining taxation on past occasions, as the Minister indicated, and I feel that because of the natural resources of this kind belong to the people, that they should get a better share of the revenues resulting from such exploration and mining. I just do hope that because of the added increase that there will be no halt in the expansion of the mining industry. It doesn't appear to me to be that, and certainly when we compare it with other provinces it certainly should not bring about any halt in this case. I do hope that eventually this province, too, will see greater development in processing some of the refined metals that are being mined in Northern Manitoba and that we can see more manufacturing brought about in this province. Why do we have to export all this ore? Certainly it would be to the advantage of this province economically to have this mined and processed and also have manufacturing carried on to a much greater extent here in this province than it's been so far.

The Minister has indicated that discussions have gone on with the various mining firms and I'm very happy to see that this is being done, that discussions are being carried on and I do hope that from time to time he will inform the House as to what is in store and what is being contemplated. I wonder if he could indicate to members of this House of any other mines that might be in the area where depletion is taking place and we might have some more Bissetts on our hands before long. If there are any of these, certainly I think members of this House should

(MR. FROESE cont'd.). . . . know. I think it is quite worthy to bring in the section dealing with setting up a reserve of this kind for those purposes. In my opinion this is probably what we should have done previous to this so that when Bissett came about monies would be on hand to take up the matter and to provide the necessary monies to keep these people in such a state where they can be provided for.

The Honourable Member for Riel discussed the various points such as incentives and I'm quite interested in this area as well. However I'm not as fully informed on this matter and maybe when the Minister does reply in closing debate that he would inform the members of this House on any developments that we may see in this respect. I do hope when we get this additional revenue that the government doesn't forget the multi-school districts in this province and that still are not getting the equal grants and that we might see some of this money channelled in that direction. I'm sure that they will have various areas which they wish to channel the extra revenue that will be forthcoming and no doubt we have increase in cost of government from year to year and so that the money can always be used. By saying this I certainly do not mean to say that we should not be ever mindful of trying to bring about savings and make reductions in expenditures wherever possible.

So, Mr. Speaker, I will support the bill and I do hope that if there's anything that I'm not aware of that they later on may not be held against me because of not having been able to research the bill as some other members probably have. Thank you.

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

MR. BEARD: Thank you, Mr. Speaker. I have in the past been quite an advocate on the resource itself being something that creates a return directly to the province and indirectly to Manitobans and I still maintain this but I am coming to believe more and more that the costs of government services to develop and open up Northern Manitoba will have to be met in some way and I recognize that I cannot, as a Member for Northern Manitoba, stand up continuously year after year and win any support by asking government to put more and more money into Northern Manitoba if I cannot show to the members a greater return from that area of the province. And so, I think that there must be some balance that has to take care of these costs of government services such as roads and telephones and TV amenities, doctors, education, the things that we're 50 or 100 years behind in many areas of the North and also the requirements to modern communities that must conduct their business in modern ways.

So I would suggest that perhaps this bill is not too far out of line. I do not pretend to know the financial status of the mining companies. I don't know whether they're paying too much tax or not but all I do know is that we have to have money to open up the North and I would be willing to support this with some assurance from the Minister that he was going to use these funds directly for the development of Northern Manitoba or in some way have more money to develop northern Manitoba and I'd like to see it funnelled into the Department of Northern Affairs, of course, but that is up to government as to how they will do this.

Now the one thing that does bother me is that government really have no control over the resource material once it is mined and it becomes the property of the company, whoever has mined it, and I've said this two or three times this year. I suppose you're getting tired of listening to it, Mr. Speaker, but it does become the part and parcel of the company that has mined it, they own it, they export and so government lose control over the resources and if you are going to extend it one step further, you are then going to have to say that the people of Manitoba or the people of Canada are going to have to be able to get that money that that resource is worth to them before it is shipped out of the country and before it becomes part and parcel of the company that owns it once they've mined it. And so I suppose taxation is the one way in which we do this. If this is the case and if mining companies are going to, in return, demand more and more from government services, then we, as legislators, are going to have to pass higher budgets for developing these fast-growing areas of Northern Manitoba.

It would seem to me, in listening to the debates on budgets, the demands for agricultural services, the large investments required to keep up with the demands of urban and metro Winnipeg, that we're going to be running hard to stand still and unless we can get a direct return such as is being suggested, I don't believe there is anything that can be done to get us out of this rut other than going to the people who are doing the job for the Province of Manitoba and this is private industry. I would say that there should be some incentives given to private industry to reinvest within the province. I think that there should be incentives given to private industry to go into fabrication of their material because if we can keep it in Canada and produce

(MR. BEARD cont'd.). . . the end material or the product out of the material that we have got, then we're going to get a higher ratio of taxation out of it.

There seems to be a race now to find exploration. We've jumped over the northern parts of our western provinces and the Federal Government have gone up into the far Arctic and started their exploration up there. And what for, Mr. Speaker - for the same goods that are available in the northern parts of western Canada, in the northern parts of the prairie provinces and I think this is the one problem that we run into that the Federal Government has not seen fit to invest in proper transportation facilities, proper government facilities so that we can be more in tune, provincially and federally, with these problems of developing our resource areas.

Certainly it seems to me that it's only fair that we develop mid-Canada and then from there go further north because then we have direct transportation systems that extend further and further north and if we have these constant interruptions in our transportation systems, then it's going to be a costly production to develop those areas in the far north if we have to skip over the middle part of our country. I think there's a race on for the money to develop the Arctic and the eastern Arctic and to develop the northern parts of our provinces and this should not be. Canada just doesn't have that kind of money nor can we offer those kind of incentives. If they're going to do it at all, I think they're going to have to get together and decide where the greatest return can come from and if the Federal Government can see this as one of their projects, then I believe that they could help far more than they are now by investing in the province in which the resource is.

As I said before, it's the same resource in the northern parts of each of our western provinces as they're looking for 2000 miles north of where we have the product as Canadians. This just does not seem to me as if it's practical at this time to be racing ahead to try and get incentives going to develop areas which are going to be far more costly than those which are at our back door. For too many years now, we've lived on the 49th Parallel and now what do they want to do? They want to skip over the 60th and go up to the 70th, whatever it may be. They're determined to do it; they have now proven that they've got the material; they don't know what to do with it; they don't know how they're going to get it out. They admit that the transportation costs are going to be out of this world but if the Federal Government had instead stuck to a program in which they cooperated with the provinces of western Canada to develop the northern half of those provinces, then they would still have that material in the Arctic to go to, to reach to, as they've used up the area in which we haven't even scratched the surface of as yet. I would hope that the Minister can, too, or the First Minister or the Cabinet can at later times get this message through to Federal Government. They want to help Canada; let's help them where there's a return. There are Canadians here waiting; they've been waiting for many years for the assistance of government. It's all available but it needs government incentive to get it started.

There are lots of mines, I'm certain in my own mind, that there are lots of mines that could be announced today but it's only that there is the lack of roads, there's the lack of railroads, there's the lack of the amenities that are required to open up new mining areas in northern Manitoba or northwestern Canada. I always come back to this because I feel that if the government, the Federal Government could accept this philosophy that those areas are available and that the mining companies or the exploration companies are not going to announce those strikes until it is convenient for them to do it because there's no way they're going to announce a strike hundreds of miles away from a transportation system unless they've got the assurance of government that the railroads will be put in, the roads will be put in, the air strips will be provided and such on. And now I can see where they're caught. If they announce a strike, then immediately government are going to say well how are you going to help develop this area? Then, on the other hand, they wait but it's almost been proven and I think that it will be proven in the next two or three years that as the Lynn Lake road is completed, whether it be completed on the present way or through Snow Lake, you'll find that there will be companies announcing mines within a very few miles of that road because there will be then available transportation to get started but they can't get started if they're a couple of hundred miles away from the means of developing.

This is what in fact they were hung up on for a while when they were developing the Nelson River Hydro Program. They said that we have to have the modern amenities to develop their Kettle Rapids. they had to have them at Gillam to see that their work force stayed there. And I maintain today that if it hadn't have been for Gillam there wouldn't be live television in northern

(MR. BEARD cont'd.). . . . Manitoba. If these things come about through government being able to co-operate under a program such as Manitoba Hydro system program, I don't see why they can't do it through programs with large mining companies, and I would hope that they could get closer to private enterprise so that private enterprise would have not only the incentives but have the feeling of security if they are going to invest in Manitoba.

I believe that there's always got to be provision in any development for government to at least get back first of all the cost of their services and also provision after for a return to the people of the province, and if this is done then I think that they won't have too much trouble in encouraging further people to come in, but they've got to have long term contracts to get the assurance that one government isn't going to change the name of the game over what some other government has laid down the rules while they were in office.

One other thing before I sit down. I think that perhaps there should be some incentive in companies -- a greater incentive for companies to develop the low grade ore bodies that are available in northern Manitoba. Some of them are very low and some of them are very very marginal, and I don't think it's too far apart from the idea of re-using scrap. We're wasting it just as we're wasting our marginal mineral developments and I think that if they could be used to a better extent than they are now, then I believe that the mining companies would be creating more jobs and would be doing a better job on the over-all.

And before I sit down I would agree with the Member for Riel when he spoke about the fund being set up for mining communities which may at some time or other have to be shut down because of the mineral running out. I believe this is a good step forward. I think it's a protection, it's an insurance for these places. But I think with a little imagination that we could go one step further just as he has indicated, and perhaps the government would consider building in a protection in their insurance Bill 56 where there would be that revenue available to look after the paying of the insurance agencies and the redundancy which will be caused once Bill 56 passes. Thank you.

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

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, if no one else wishes to speak at this time, I would move, seconded by the Honourable Member for Fort Rouge, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Would you call Bill 139 please, Mr. Speaker.

MR. SPEAKER: Second reading, Bill 139. The Honourable Attorney-General.

HON. AL. MACKLING, Q.C. (Attorney-General)(St. James) presented Bill No. 139, an Act to amend The Landlord and Tenant Act, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, the explanations are rather brief. I could, Mr. Speaker, speak for many minutes on the ramifications of this piece of legislation, but as most of the honourable members of the House know, I was not a member of the Committee of Statutory Orders and Regulations which was established in the fall session of the 29th Legislature to examine the whole area of landlord and tenant law with a view to making recommendations for substantial amendments to the present Act. That committee met over the course of some months and the Chairman, the Honourable Member from St. Matthews, I know, wishes to indicate to the House in some brief remarks some of the particular principles that have been highlighted in the legislation that carries out the recommendations of the committee of the Legislature. I, Mr. Speaker, would like to pay my compliment to the members of the Committee who worked assiduously in the preparation of the report, particularly the Chairman. The committee worked well together and I think the report which was, as I understand it, unanimous, formed the entire basis of the legislation before you with some significant changes and I'll deal with the highlights of those changes.

I would like to observe, Mr. Speaker, that the existing landlord and tenant legislation affecting the relationship between landlords and tenants is primarily noteworthy because it is so out of date. Over the centuries -- and we have to go back to about the fifteenth century in England to find the source of the present laws dealing with landlord and tenant -- for some inexplicable reason the common law of landlord and tenant has had as its basis the rigid land law principles rather than the vital interests of the parties involved. Landlord and tenant common

(MR. MACKLING cont'd.) law is not in any way consistent with the interests of landlords and tenants.

This fact, Mr. Speaker, has created and maintained inequities in the relationship sanctioned by law. The landlord and tenant, rather than being in the position of contracting parties with important common interests, have been put in a position analogous to that of a feudal lord and his serf. We all recognize, I believe, the plethora of anachronistic consequences resulting from our present legislation which is not to be found in other statutes.

The work of the committee included the studying of new legislation in other jurisdictions in Canada, particularly the Ontario Law Reform Review and new legislation in Ontario and the United States, and many of the recommendations are consistent with the recommendations that have been made in other jurisdictions. However, as I indicated, in certain specific details it has departed and I believe improved upon the existing legislation in our sister province of Ontario and the Province of British Columbia to mention only two.

The Act we have before us covers almost all of the recommendations of the committee with some significant changes. In my view, the singularly most unique feature of the proposed amendments is the establishment of the office of Rentalsman whom, you know, there's an obvious connotation, Mr. Speaker, of an individual who has some analogy to the role of the Ombudsman, only in the housing field. I'm not aware, Mr. Speaker, of any other North American jurisdiction that has established an equivalent office with the same function and powers. Some of the functions of the Rentalsman, as outlined in the Act, are to advise landlord and tenants in tenancy matters; to receive complaints and mediate disputes between landlords and tenants; to disseminate information for the purposes of educating and advising landlords concerning rental practices, rights and remedies; and to receive and investigate complaints of conduct in contravention of legislation in governing tenancies.

Besides these duties, Mr. Speaker, it is proposed that where a landlord and tenant disagree on a term or condition of their particular rental agreement, they may refer the matter and contention to the Rentalsman of the area in which they reside who will be able, with the written mutual agreement of the parties, to arbitrate the dispute. Where he does act as an arbitrator, the findings and decision of the Rentalsman are binding on both parties. It is our view that by giving the Rentalsman the power to arbitrate we are providing an efficient, expeditious and informed method of settling disputes. Of course if either party does not agree to the arbitration proceedings, he still has his alternative rights, remedies, by application to the appropriate court.

Additionally, it will be the responsibility of the Rentalsman to hold in trust all security deposits collected by the landlord. This is a change from the committee's proposal which was simply that the landlord be obligated to pay the tenant six percent interest on security deposits. Some of the reasons for the change in structuring of the security deposit retention by the Rentalsman were that by putting the security deposit into the hands of the Rentalsman to hold in trust, the tenant is provided with additional protection from potential fraud, mismanagement of trust funds, possible insolvency of the landlord and so on. This change would make it so that the parties who receive the benefits of the Act and the services of the office of Rentalsman would in a small way pay part of the costs of those services. The landlord on the one hand has a duty to collect and remit the deposit, if he wants the deposit; on the other hand the tenant will give up the right to receive interest from the security deposit.

However, the tenant's loss of between five and ten dollars - it would be a nominal amount in interest - is insignificant compared with the valuable services that the tenant will obtain and the landlord will obtain through the services of the Rentalsman. So the small amount of interest - I say small individually on the amount of the security deposit - will go in some way to compensate for the additional costs of servicing this area of the relationship between parties in this field.

You recall, Mr. Speaker, that the committee studying this whole matter recommended that the tenant have the right to withhold his rent should the landlord fail to meet his obligations. Upon reconsideration, we in government came to the conclusion that such a proposal was subject to many abuses, and besides, the establishment of the office of Rentalsman by and large will obviate the necessity for such an extreme measure. However, we did feel that in the area of the physical state of the premises being rented and the obligation of the landlord to make repairs, there was a real justification for providing additional incentive to the landlord to make those repairs quickly. Therefore, you'll find that the bill does provide the tenant with the right

(MR. MACKLING cont'd.) not to withhold the rent but to send his rent to the Rentalsman until the required repairs are made, and the exact specifics of that technique are spelled out in the bill.

The proposal, Mr. Speaker, contained in the bill to establish the office of Rentalsman will, I believe, make the Manitoba Landlord and Tenant Act the best of similar acts in the whole of the North American continent. Unlike the Ontario and British Columbia acts, we have recognized the importance of providing a mechanism whereby disputes between the landlord and tenant can be settled without the necessity of recourse to the courts. We felt that this was particularly required in view of our decision, for example, to abolish the right of the landlord to distrain the tenant's property for non-payment of rent. It is hoped that the Rentalsman will be available in virtually every area of the province by using existing government facilities or personnel of one kind or another.

There are many sections of the Act that deserve particular mention. However, as I've indicated, Mr. Speaker, I think that some of the particular principles as earlier highlighted in the report will receive further elaboration no doubt by, hopefully, the Honourable Member from St. Matthews whose able chairmanship saw this report brought to a conclusion.

In summation, Mr. Speaker, I would like to say that although the amendments we are proposing in this Act are far-reaching and necessary, we must at the same time recognize the limitations of what may be achieved by changes in the landlord and tenant law. Legislation may achieve many beneficiary results in the areas examined but no false hope should be raised. The greatest single obstacle to stability and fair dealing in this area of the law is the acute shortage of reasonable housing accommodation, particularly for people on low or marginal income. Amendment of the landlord and tenant law can however establish an atmosphere of order and stability in this field which could provide the impetus for the creation of sufficient rental accommodation at rents within the economic means of every person.

It will be readily admitted that ill-conceived changes may have a regressive impact on the rental accommodation market. I hope and believe, Mr. Speaker, that our proposed amendments will not have this effect.

Finally, I want to say that all levels of government must recognize and, more importantly, do something about the housing shortage. I think, Mr. Speaker, that recently the demonstration of concern by our government with the development of low cost housing in the Metropolitan area is a sound manifestation of our concern for a particularly overdue action in this area. I hope, Mr. Speaker, that despite the negative views that have been expressed in some areas of the province, that this attitude will change and that the people of Manitoba will recognize the necessity for further substantial advances in this field because it is only through the establishment of reasonable housing accommodation that much of the real blight in respect to the whole of our social atmosphere, that arises from inadequate housing in large part, will find some rectification. I heartily therefore, Mr. Speaker, commend to you and the members of the House an early passage of the amendments that are proposed in this Act.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, there are a few comments which I would like to make on this bill. The Minister has been kind enough to compliment the committee on its work that was done during the hearings that were held between these two sessions. However, I think that committee would be reluctant to take credit for some of the provisions that are made in this bill. Some of them are so extraordinary that they really are hard to believe. I think we would have hoped that the committee could have handled this Act in much the same way it did the Municipal Act. That we might have had a chance to go over it clause by clause and draft a whole new bill which would have perhaps taken away some of the language that was so hard to understand in the old Act, and also with discussion it might be that we would have foreseen some of the things that have been made possible under this Act as it is written now.

The Rentalsman sounds very fine. In actual fact he may be little more than a shoulder to cry on. Now perhaps, I say he may be little more than a shoulder to cry on, perhaps this is something that the community needs. I think it probably does. There have been so many disputes between landlords and tenants that there really must be someone to whom they can go.

It was interesting to see that the security deposits would now under this Act be held by the Minister of Finance. I was interested to hear the Minister mention the interest that would accrue from these deposits. This is open to some speculation as to what will happen. Apparently it will go to the treasury. Now, five or ten dollars as the Minister says may not be

(MRS. TRUEMAN cont'd.) terribly important to an individual, but if we just take as an arbitrary figure perhaps something like 10,000 families that are renting, 10,000 renters, each depositing half a month's rent, and we might put that rent, that sum down as a fairly conservative figure of \$50.00, probably the average would be higher than that. But this already adds up to half-a-million dollars that's being placed in trust with the Minister of Finance. Now that's quite a great deal of money; some of it perhaps will be given back in service; but on the other hand, it seems to me that renters will be contributing the interest from this fund into the consolidated revenue, and that in fact, a new tax is being imposed on the people who rent and this is a discriminatory tax. Furthermore, after two years, if no one has applied for the return of this deposit it goes into the consolidated fund. I have been watching as the bills come in, all the bits of money that are being transferred to the care of the Minister of Finance. For instance, any surplus in the new combined hospital and medical plan will be going into his hands and I do think that he is going to end up being one of the most powerful Ministers of Finance in this country and perhaps wider than that.

There's another provision that a family cannot be evicted while there are children living in the house who are of school age. This on the surface sounds so virtuous and yet the tenant in this case can refuse to pay his rent, the child can be destructive and there is no way that the landlord can get any relief from either of these two things. It's a licence to that child to destroy for ten months. If the husband deserts the family, they can still live there rentfree unless the landlord goes perhaps and applies for welfare for them. Otherwise, the landlord is going to be the one who is providing the welfare. He may be able to write some of this off as a tax loss, I mean as a cost, but this is going to mean a tax loss to the government. I do sincerely think that this - well the particular clause which relates to this - will have to be amended, or perhaps even deleted, because it is too unfair to the landlord.

There is something in this bill about discrimination and it would appear that merely the allegation that a landlord refused a person tenancy on the grounds of race, colour or creed, that all you need is just the allegation that this is so. There is no onus on them to prove that this is actually true, that the refusal to let the apartment was based on some discrimination of this type. I would take some exception to the fact that anyone is able to sublet unless he happens to live in low income housing that's provided by the government. They are not all people on welfare, most of them are paying their whole cost of rent, and perhaps there is something in the federal legislation that makes this necessary, but it seems to me that here we are discriminating against the people who are on low income.

There is a provision, too, that 90 day's notice has to be given before you can raise rents. Now, if on the first of June the city raises its taxes on the property, the landlord will have to carry that for three months before he can begin to collect that tax in the rent of the person who is occupying a suite. Perhaps there should be exclusion of the tax escalation in this particular clause when we come to it.

The Bill really does nothing concerning the bad tenant and it provides no protections for the rights of a good tenant against a bad tenant who lives next door to him and is wilfully or negligently doing things that help to destroy the peaceful enjoyment of the good tenant's suite. I don't think anyone suffers more from a bad tenant than the people who live around him and are exposed to the noise and the aggressive behaviour and the interfering with the use of facilities, or damaging the facilities in the block which are used by everyone.

I think one of the most extraordinary provisions in this Act, is that the Cabinet, the Lieutenant Governor in Council will prescribe the lease which is to be the only lease used apparently. I think this is getting into our private affairs far more than the Government of Canada did at the point where they said that the government had no business in the bedrooms of the nation. There are many good tenants and good landlords. I see no reason why the Cabinet should have the right to interfere with any provisions they might want to make in their particular lease. The Cabinet has arbitrary power to dictate every term in the lease. This power they can exercise without any reference to the Legislature. There is no limitation on this power and apparently there is no appeal from it. The Cabinet is not required to hold any hearings, to receive any representation, to give any notice, or submit anything to the Legislature for its approval and decisions. The Cabinet is simply given blanket powers to dictate on what terms every tenant shall live in rented accommodation; and on what terms every landlord must rent his property in which he invests his own or borrowed money. The government in Russia builds its own apartment blocks and they don't ask for any such power to regulate the occupation of a

(MRS. TRUEMAN cont'd.) property. No other Cabinet in Canada has such power. This is an absolute dictatorial power without the benefit of either compensation or natural justice, and it's to be based on the investments of private industry, private individuals, and the government's going to lay down all the regulations and they are not going to have the chance to make even representation.

The Rentalsman is to act as a sort of mediator in determining what portion of the deposit should apply to damages and so on. This power which is given into his hands of estimating the cost of repairs and forwarding any excess to the landlord, leaves him wide open to bribery and corruption. There is a provision in this Act for the Lieutenant Governor in Council to establish a Board of Review; it will have a rent review function

MR. MACKLING: Mr. Speaker, I don't know whether it's conversation in the background here or what it is, but the honourable member said something about bribery and corruption and I wish she would just repeat that because I am concerned to note what it is - what it was she was saying.

MRS. TRUEMAN: I was speaking about the retention and payment of monies by the Rentalsman and that he would be in the position of having to determine what were the reasonable costs for repairs and to forward any excess to the landlord, and my remark was that this would leave him open to possible bribery and corruption.

The Lieutenant Governor in Council may apparently establish a Board which would have a rent review function and we don't know what a rent review function is. It sounds as if they might establish rent control, this might be enabling them to do such things. We don't know what the guidelines would be to be followed by that Board, and the conferring of such authority on the Board or the employees or Rentalsman as may be deemed necessary for the effective carrying out of their functions. This section is simply another blank cheque. We don't understand what the meaning of . . . is, what the use is that will be made of it, and we have some real reservations concerning this particular section.

This bill, as it is written at the present time, is another of a continuing of a series of invasions into private areas of people's lives, and I am truly surprised at the conceit - I don't know of any other word for it than just the conceit of any government that thinks it can impose on the people whatever they think is good for them, with no right of appeal. These dictatorial powers are just beyond us to understand. We can't understand why they should be asked for at all.

I believe, Mr. Chairman, that that is all I would like to say on this Act at the present time. Perhaps when we get into clause by clause we may be able to modify some of its provisions.

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

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I don't want to dwell on this any further. I think my colleague from

MR. PAULLEY: Mr. Speaker, I wonder if my honourable friend is going to dwell for some time. I understand that there was a general agreement that we would cease the session this afternoon at 5:00 o'clock, and possibly if my honourable friend was going to be longer than two minutes, he may take the adjournment of the debate in order

MR. EINARSON: Mr. Speaker, I could just make it in about a minute and a half. There is one point that I wanted to make here, Mr. Speaker, that I couldn't understand in trying to analyse this bill. Of all the problems that you may have in the City of Winnipeg and other cities, being a rural member I cannot help but wonder when you talk about establishing a Rentalsman, and I have been wondering - here we have now established an ombudsman for dealing with problems that people may have in many ways, shapes and forms, and we are also dealing with a bill coming up, a human rights bill, and I am wondering if we are not establishing a tremendous amount of duplication here, Mr. Speaker, duplication that is going to create a bureaucracy that you have never seen the likes of in this Province of Manitoba, and I can't help but wonder why an ombudsman can't do the job which you are trying to establish as the Rentalsman's responsibility in this bill.

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, just before we adjourn, the House Leader has informed me that the understanding will be that the House will meet at 2:30 on Thursday afternoon. I understand that Law Amendments Committee will meet at 9:30 on Thursday morning and the Industrial Relations Committee at 7:00 o'clock Thursday evening. I also understand that the -- what committee is it Friday morning? All the other committees Friday morning in Law Amendments, convened as Law Amendments, and then we will be back in the House at 2:30 for the question period on Friday. I also understand that the Committee on Public Utilities will continue its deliberations on Saturday morning at 9:30. Thursday open the House for questions, and after the question period go into committee.

MR. WEIR: Mr. Speaker, if I may, just so that we can complete the understanding, is that we would have the variety of committees on Thursday, Friday and Saturday, and that I understand that we would have the question period on Thursday, Friday and Saturday at 2:30 on the understanding of going back to committee on all occasions.

MR. PAULLEY: Not on Saturday is my understanding.

MR. WEIR: Well, Mr. Speaker

MR. GREEN: that if you want a question period on Saturday, only Public Utilities Committee is meeting on Saturday. It would mean that all of the members would have to come to the Legislature on Saturday. Now if that's desired it doesn't bother me, because I'm on Public Utilities Committee, but

MR. WEIR: Well, Mr. Speaker, by the same token on Friday afternoon, all of the members that aren't on Municipal Affairs or Agriculture - and I don't know what the duplication is and how they all fit - and they would have to come too, but I don't feel that strongly about it, Mr. Speaker.

MR. GREEN: On Friday there is such a variety of committees meeting that we think that everybody will be here, but certainly on Saturday it would be a big problem for some members to have a question period when they're not here.

MR. WEIR: Well, Mr. Speaker, I don't really see it as being a problem at all. My understanding is there will be 26 members, 26 members of the House on the Committee of Public Utilities; the quorum of the Legislature is 10. If members didn't have questions obviously they wouldn't necessarily need to show up.

MR. PAULLEY: I wonder, Mr. Speaker, if this could not be resolved by further consultation between the House Leader and the Leader of the Opposition and other members. It is my understanding at the present time that the Committee on Public Utilities will meet Saturday morning at 9:30, and if in the interim, the apparent desire of my honourable friend the Leader of the Opposition to meet at 2:30 on Saturday, that will be agreed upon I am sure.

Mr. Speaker, I beg to move, seconded by the Honourable Minister of Cultural Affairs, that the House do now adjourn.

MR. SPEAKER presented the motion.

MR. BILTON: In support of my leader, do I understand, or is the House to understand that we do not sit on Thursday night?

MR. GREEN: . . . in committee on Thursday night. The House will come into the House on Thursday at 2:30 for questions and on Friday at 2:30 for questions; the rest of the time will be spent in committee.

MR. SPEAKER put the question and after a voice vote declared the motion carried and the House adjourned until 2:30 Thursday afternoon.