

TIME: 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY  
ESTIMATES — FINANCE

**CHAIRMAN, Mr. D. James Walding (St. Vital):** Order please. We have a quorum gentlemen. The committee will come to order. I would refer the attention of honourable members to Page (3 in their Estimates book, The Department of Finance, Resolution 52(a) The Minister's Compensation. The Honourable Minister.

**MR. MILLER:** Well, Mr. Chairman, I'll just take a very few minutes to make some introductory remarks.

First, I want to point out that the format of the Estimates of the department are very similar to what was presented in the House last year. The exception is the Tax Credit Program which, as you know, has been removed from the Finance Estimates for both the previous and the current fiscal year so that they are comparable because they are now shown as reductions of income tax revenues.

Last year the Premier, during the presentation of the Estimates, indicated a limited restructuring within the department to separate the basic Treasury functions from those of the Central Accounting or Controlling functions. The intention was to provide additional support to cash management, debt management, banking functions and sinking fund management and to similarly provide a strong central accounting capacity. This structure is now operating in a satisfactory manner and much has been accomplished in the tasks which was successfully completed was the production of the Financial Administration Manual covering all facets of government financial operations and this was accomplished through the joint efforts of Finance staff and personnel from most operating departments who formed task teams, that is a task force between the Line Department and the Finance Department, in their areas of specialization. The Manual now forms the basis for all accounting operations in government and of course will have to be updated on a regular basis.

Positive steps have already been taken and will continue to be taken on a long term basis in regard of the training of departmental staff in accounting and financial principles and procedures. We are actively researching methods used by other jurisdictions in Canada and elsewhere regarding the government accounting principles and preparation of estimates.

I am please to report that the Controller is at present, our present Controller is at present the Department of Finance representative on the CICA — that is the Canadian Institute of Chartered Accountants — a committee which reviews government accounting principles and procedures across the country.

So the Estimates, Mr. Chairman, that are now before the committee include two items in the Taxation Division which should be noted at this time — you'll see it as we go through. Members will note the shift between Salaries and Other Expenditures within the Succession Duty Branch. This reflects the termination of the arrangement whereby the branch was initially staffed by seconded Federal staff where we simply paid the Federal Government for their staff. The 1977 - 78 Estimates make provision for staffing by provincial employees. In addition the Corporation Capital Tax Branch which was established in July of 1976 and this was the first set of Estimates in which the operating cost of that branch are displayed.

So, Mr. Chairman, with those few comments perhaps we could start with the Estimates themselves.

**MR. CHAIRMAN:** Resolution 52(b) Executive (1) Salaries — pass; (b)(2) Other Expenditures. The Honourable Member for St. James.

**MR. MINAKER:** I wonder if the Minister can just elaborate on the difference between the two. I notice that last year under the General Administration, or at that time Executive Division, I believe there was a value somewhere in the order of \$84,800 and now we're showing \$325,000. Is this additional manpower or man years in there?

**MR. MILLER:** Where do you see 325? Oh, I see, I see.

**MR. MINAKER:** Over, showing what was allotted for last year whereas under the Executive Division approved last year there was \$84,000.

**MR. MILLER:** I'm not sure I quite follow you. You're talking about the total last year of \$325 as against this year's total \$352? Or are you looking for a component within that?

**MR. MINAKER:** Right. Obviously, Mr. Chairman, there is amalgamation of departments, I would imagine. I'm wondering are there any new staff man years in that particular area of responsibility?

**MR. MILLER:** Well, Mr. Chairman, as I see it, in the Executive last year the amount was \$56,500, this year it's \$61,300. That's under 1(d) Salaries — 1(b) Other Expenditures, that's (2) which was \$13,700 last year, \$14,700 this year. So between those two the difference is \$70,200 in 1976-77 as against \$76,000 this year. So I'm not sure I'm answering the question because I'm not sure I

understand the question.

**MR. MINAKER:** Mr. Chairman, what I'm saying, actually encompassing all of the items not just zeroing in on (b) (1) as such, but under that particular section is shown for item 52 comparing that to last year's Estimates for those particular various sections, you were looking at \$84,000 This year we're looking at \$352,000 it would appear. What I'm asking, is has there been any additional staff man years or is it just an amalgamation of various departments.

**MR. MILLER:** Mr. Chairman, it's a restructuring as I understand it. It isn't an addition of staff man years.

**MR. MINAKER:** There aren't any new staff man years in . . . ?

**MR. MILLER:** I can tell you that, no, I know that, so it's a restructuring.

**MR. CHAIRMAN:** The Honourable Member for River Heights.

**MR. SPIVAK:** Well, Mr. Chairman, I just wanted to establish one thing because it has to do with the whole question of the General Administration. It may have been covered in your initial opening statement, at which point, if that's the case . . . In terms of the responsibilities as far as the review of the Estimates, in terms of the preparation of the Budget, in terms of the finality of the decision that would ultimately be provided to, I assume Cabinet Board's ultimate decision. Is that handled in this General Administration? I'm not talking in terms of the budgetary process, in terms of the final decision making process.

**MR. MILLER:** Mr. Chairman, the analysis is Management Committee meeting with Cabinet and so the final decision is Cabinet's of course. Finance Department of course fits in and is active all through the process and then puts it all together, but the analysis is done through Management Committee and then it is gone over totally from top to bottom by Cabinet Committee or Cabinet of the Whole, which acts as a Committee.

**MR. SPIVAK:** Can I ask what responsibility then is assumed, is it just co-ordinating response? Or is this really an input in the decision-making and in the presentation of alternatives.

**MR. MILLER:** It's in the accounting I suppose, but in addition to that the staff have an input in advising the Minister of Finance or the Premier just as the staff of Management Committee have that same input. In the final analysis of course it is Cabinet that makes the decision on the scope of the Budget or the Estimates extent and what goes into the Estimates.

**MR. SPIVAK:** I think Mr. Curtis indicated to you and, I guess realistically then, is it really just the accounting end of it, or is it really an evaluation as well?

**MR. MILLER:** No, it would be in the accounting end of it. The evaluation would be through the analysis of Management Committee and the departments themselves.

**MR. SPIVAK:** The Finance Committee would have nothing then to do in terms of with any cost benefit analysis that would have to be done in programming or could have been.

**MR. MILLER:** Not really, unless they ask specifically to look at something, mostly it's on the accounting aspect of it.

**MR. SPIVAK:** The Management Committee then is under the responsibility of the Executive Council or under the . . .

**MR. MILLER:** No, one of the Ministers is the Chairman of Management. There's a Committee of Cabinet Ministers who are on Management, but insofar as the Estimates are concerned, just about the entire Cabinet sits in at that time.

**MR. SPIVAK:** No, it's included in the Estimates of Executive Council, but then we come back to the question of the analysis of the Estimates, the cost benefit analysis that is done and in turn the recommendations of decisions with respect to programming. Does the Finance Department, at least in terms of the general administrative branch, have really any responsibility other than really a very limited — as it's position here, of presenting accounting.

**MR. MILLER:** Yes, to the extent that the Finance Department acts in the role of assisting Management Committee for information as Management Committee is putting together the evaluation, but the primary responsibility is in Management Committee.

**MR. SPIVAK:** But in reality you're only one member of the Committee and your branch is really not there to do the evaluation for you as Minister of the cost benefit of the programs that are proposed, some of which may have been carried on for some time, that's management . . .

**MR. MILLER:** That's Management Committee's role and, of course, Cabinet's role. Certainly Finance staff are never shy to put forward ideas, proposals, suggestions to the Minister or certain doubts they may have and they have never hesitated before.

**MR. SPIVAK:** But in terms of cost benefit, does the general administrative staff in those three branches present to the government, the cost benefit of programs and the choices that could be made if, in fact, there are limited funds that will be available for a given program?

**MR. MILLER:** They are consulted but that isn't their primary responsibility. I know that I have consulted them myself, so I know that it is done.

**MR. SPIVAK:** If someone was to say to the Minister, we would want the government programs cut by 10 percent overall, is there a capacity within this branch to be able to accomplish that?

**MR. MILLER:** A simple 10 percent cut? Oh yes, they are very good at cutting and the calculators don't miss out on a simple 10 percent deduction. So, if you are talking in terms of a reduction, not across the board necessarily, but specific areas, no that wouldn't be Finance Department, that would be, again, the Management Committee meeting with Cabinet to determine where and what.

**MR. SPIVAK:** If, in fact, you have \$1.3 billion to spend and you were asked to cut \$130 million, would your branch be capable of doing it in relation to a cost benefit and in relation to priorities, or is that entirely really Management Committee?

**MR. MILLER:** Mr. Chairman, that's Management Committee and the Cabinet.

**MR. SPIVAK:** So you are suggesting that Management Committee have the expertise and staff to be able to that.

**MR. MILLER:** Yes, I would say so.

**MR. CHAIRMAN:** Resolution 52(b)(2)—pass; (b)—pass. Resolution 52(c) Administrative Services (1) Salaries—pass; (c)(2) Other Expenditures—pass; (c)—pass. Resolution 52(d) Budget Branch (1) Salaries—pass; (d)(2) Other Expenditures— pass; (d)—pass. Resolution 53 Treasury Division (a) Salaries. The Honourable Member for River Heights.

**MR. SPIVAK:** On the Treasury Division, I would take it then its responsibility really is only to, in effect, collect the money. It is not involved in the other process that we talked about.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MILLER:** Mr. Chairman, I am glad you asked because I have got a nice paragraph here that I can read into the record.

The Treasury Division is responsible for capital financing of the government and its agencies, the issuance of provincial securities, the long term investments for the government and its agencies, the servicing of the provincial debt, the cash flow prediction and management of government money, also all provincial bank accounts, maintenance of government banking relations, the monitoring of foreign exchange and investment markets, the managing of the operations of the Manitoba School Capital Financing Authority and the Manitoba Hospital Capital Financing Authority. That's the Treasury Division.

**MR. SPIVAK:** But it essentially has nothing to do with the management process of the budgetary process.

**MR. MILLER:** It's money management.

**MR. SPIVAK:** Well, it is money management, but it has nothing to do with terms of the essential Estimate end. Can I ask: Does the Treasury Branch continually, in monitoring the work it is doing, present to you as Minister a perpetual up-to-date position with respect to where the government stands in relation to any of the moneys that have either been raised or are to be raised in relation to any of the problem areas that would occur?

**MR. MILLER:** Yes, they do. Every month or two they make available — of course it is not on an audited basis — but an indication of where we are with relation to expenditures and whether or not we are within target on the expenditure side, and as well on the revenue side.

**MR. SPIVAK:** Have they ever arrived at a situation which they considered a crisis situation?

**MR. MILLER:** Since I've been in the department, I would say no, to my knowledge there hasn't been; there may be somebody else who knows about a crisis situation I am not aware of. — (Interjection)— Once in 1966.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. DAVID BLAKE:** Mr. Chairman, on this particular division, I just wondered if the Minister might just give us a brief comment on the type of long-term investments that the government is involved in. I am thinking of the term of the investments more than the type of them.

**MR. MILLER:** Well, there is the American market which is long-range, up to 30 years. The Euro-dollar of ten years. A recent Swiss one, I think, was fifteen years. Japanese, also recent, ten years. It varies. It goes from short term to 30 years.

**MR. BLAKE:** What type of money would we be putting in this long-term, this 30-year market?

**MR. MILLER:** How do you mean? What type of money?

**MR. BLAKE:** What long-term funds would we be investing in this? The type of market, or have we got it reversed?

**MR. MILLER:** Are you talking about investing, or do you mean borrowing?

**MR. BLAKE:** Yes, investing.

**MR. MILLER:** Oh, investing. Oh, I see. If it is investing, it is short-term. It is investing on short-term, except for sinking funds which could be then invested for a longer term.

**MR. BLAKE:** What type of investments are you looking at? You are looking at the whole wide range when you mention the various markets. Term deposits, treasury bill ... the whole range.

**MR. MILLER:** Yes, that's right. I think we are restricted in what we can invest in, but it is short-term.

**MR. BLAKE:** But outside of sinking funds you have no long-term bonds of any other corporation or any other government?

**MR. MILLER:** No.

**MR. CHAIRMAN:** Resolution 53(a)—pass. 53(b) Other Expenditures—pass. 53(c) Insurance Premiums. The Honourable Member for Minnedosa.

**MR. BLAKE:** Yes. If you could just give us a brief comment on what these cover, the insurance premium payments?

**MR. MILLER:** The insurance premiums, this is for payment of insurance; \$20,000 of it is for premium on our blanket crime policy. The policy covers all the departments and insures for employee fidelity, robbery, safe burglary, theft and misplacement of moneys or securities, acceptance of counterfeit currency, stuff of that nature.

**MR. BLAKE:** What companies would this be placed with?

**MR. MILLER:** MPIC.

**MR. BLAKE:** It's with the Manitoba Public Insurance Corporation.

**MR. MILLER:** Yes.

**MR. BLAKE:** Is this tendered out, or would their rates be a little more favourable than the rates that you were getting before MPIC?

**MR. MILLER:** It was tendered in the initial instance and MPIC got it and has had it I think for about two years.

**MR. CHAIRMAN:** The Honourable Member for River Heights.

**MR. SPIVAK:** Have there been any claims on this fund with respect to theft?

**MR. MILLER:** To my knowledge since I have been in the department, I am not aware of any. Pardon me while I check. —(Interjections)— There have been some very small ones this year apparently. It's a loose cash box or somebody leaves a purse that somebody walks off with it.

**MR. SPIVAK:** But it doesn't apply to thefts in relation to any kind of . . . well, a civil servant who may overcharge on something, that does not apply here at all? There is nothing involved in that whole . . . ?

**MR. MILLER:** It's a theft by an employee.

**MR. CHAIRMAN:** The Honourable Member for St. James.

**MR. MINAKER:** I wonder what would be the coverage of that policy, in terms of dollars maximum?

**MR. MILLER:** One million dollars per incident.

**MR. MINAKER:** So that is covered by a Crown corporation?

**MR. MILLER:** Yes, that's right. I assume this is not new. This sort of coverage has been carried for years.

**MR. CHAIRMAN:** Resolution 53(c)—pass; 53(d) Refunds—pass; Resolution 53(e) Payments Re: Soldiers' Taxation Relief. The Honourable Member for Minnedosa.

**MR. BLAKE:** Mr. Chairman, yes I just have a comment because I am not familiar with what this is. It is probably a continuing thing that is reducing each year, but if the Minister could give us a brief comment on what this covers . . .

**MR. MILLER:** Mr. Chairman, by coincidence I do happen to know something about it, not because of being Minister of Finance, but because I was involved in a municipality a number of years ago. This goes back, I think, to the First World War where the dependants of soldiers, wives, etc. who cannot pay their municipal tax are exempted from municipal tax when they qualify. It's a reducing amount as these number of veterans of course drops and it's a statutory requirement.

**MR. CHAIRMAN:** Resolution 53(e)—pass. Resolution 53, Resolved that there be granted to Her Majesty, a sum not exceeding \$1,420,900 for Finance—pass. Resolution 54 — Comptroller's Division. (a) Salaries. The Honourable Member for Brandon West.

**MR. EDWARD MCGILL:** Mr. Chairman, during the consideration of the Provincial Auditor's Report during the Committee meeting on Public Accounts, I asked the Minister of Finance a question about the relationship of government expenditures to revenues for the year ending March 31, 1977, and he said that that information might be available fairly shortly but that it might more properly come up during the consideration of his Estimates. I was thinking that might be something that we might now request of the Minister since he has his staff people here. I wonder if he is in a position to give us some idea of the position of the Government of Manitoba in respect to expenditures and revenues for the year ending March 31, 1977. I note that the Provincial Auditor has indicated that for the previous year the excess of expenditures over revenue on a combined basis was \$98 million-odd. Can the Minister indicate just some approximation of the situation that existed at March 31 of 1977.

**MR. MILLER:** Mr. Chairman, the books closed, I believe, April 21st and I am told that we still haven't got our expenditure. We don't have the expenditure figures; those aren't available. It was indicated, I believe, that there was approximately \$19 million deficit and that of course is public knowledge. So I am not able to give any more definitive information on that because the expenditures are not yet finalized; they're still flowing through to the department.

**MR. MCGILL:** Mr. Chairman, then, is the Comptroller's Division working towards a more up-to-date processing of the accounts? Is there any progress being made towards having an earlier statement of revenues and expenditures available to the Legislature than was previously the case? I

think this is a matter that we have discussed from time to time in the past, whether or not with greater computer capability and more planning in this direction, whether or not these statements may be available to us in some form earlier than they are at the present.

**MR. MILLER:** Mr. Chairman, insofar as an audited statement is concerned, of course, it would have to wait till the Auditor completes his audit. If the member is asking about interim reports, it can be done. It does require a lot more staff to address themselves to it so they can do it, it would be unaudited at best and it there would be great fluctuations from one quarter to the next. At certain times of the year the money flows, the cost-shared money, for instance, from Ottawa might flow in large sums towards the end of the year. Certain expenditures which takes place, heavy expenditure that takes place at certain months, and are absent in other months, so, at best, you get a somewhat distorted picture. But it could be speeded up if in fact the staff, there was sufficient staff, so that Finance staff could zero in on that particular aspect of it and I am sure they could deliver if given the staff. However, with the restraint program still on, I know that Finance has been caught by the same restraint insofar as hiring vacancies or filling vacancies are concerned, and so they are under that impediment.

**MR. MCGILL:** Mr. Chairman, I understood the Minister to say that at the present time, he is able to give us some approximation of revenues, but that expenditures are not yet in a form that would enable him to give us an approximate relationship between the two.

**MR. MILLER:** As was indicated to me, although the books closed April 21st, some of the entries have not been made yet, they is still flowing through and so they haven't got that information.

**MR. MCGILL:** Is the Minister able to give us any idea of an approximate date on which this information might be available?

**MR. MILLER:** Well, again, I would hate to even guess at a date. I suppose when the Estimates are through and all the financial bills are through the House the staff will have more time to do what they should be doing, so I wouldn't want to suggest a particular date. But I suppose it is usually about six weeks after the closing date which will be probably towards the end of May or the first week in June, some time.

**MR. MCGILL:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 54(a)—pass; 54(b) Other Expenditures—pass; 54(c) Less — Recoverable from Other Appropriations—pass; 54(d). The Honourable Member for River Heights.

**MR. SPIVAK:** The explanation with respect to the direction and control of shared-cost agreements, provides centralized direction and control, I understand the control but where would this provide direction?

**MR. MILLER:** Direction in the sense that the agreements are — we're trying to do more and more of it — although agreements may be reached between the department and the Federal Government on certain cost-shared programs, the Department of Finance will be more concerned to see that in fact the Federal Government, if it's the Federal Government, does in fact live up to its agreement, that the terms of agreement are met, and that the audits when they take place, take place without the Federal Government suddenly changing the rules on them. So there is that sort of keeping a watch on the agreement to ensure that in fact, the money that should flow to Manitoba does, in fact, flow.

**MR. SPIVAK:** All these kind of records which would be prepared for support of Federal Government participation in the cost-shared programs then are prepared by this section of the department?

**MR. MILLER:** No, it's this section and it's with the federal-provincial . . .

**MR. SPIVAK:** That's why I asked though in terms of vision. I am not talking now direction not talking negotiation. You are talking really accounting at this point.

**MR. MILLER:** Accounting.

**MR. SPIVAK:** And they are really talking about following through and preparing whatever is required under whatever scheme or arrangements made to be able to ensure that all the dollars that are available from the Federal Government are available.

**MR. MILLER:** Yes.

**MR. SPIVAK:** So that's the control.

**MR. MILLER:** And to keep a watchful eye that an agreement once reached, and since the audits sometimes are a year and two behind, that in fact the Federal Auditors, suddenly don't change the rules of the game, which has happened in the past.

**MR. SPIVAK:** You've had problems like this before?

**MR. MILLER:** Oh yes, we've had problems like this before.

**MR. SPIVAK:** Lots?

**MR. MILLER:** Often enough so that it requires watching.

**MR. SPIVAK:** How much money would you have in dispute with the Federal Government now?

**MR. MILLER:** Today?

**MR. SPIVAK:** Yes. I mean not in dispute, in discussion.

**MR. MILLER:** Well, the whole revenue guarantee. The balance of the revenue guarantee, which is

still up in the air, some of the cost-sharing in post-secondary — I'm doing this from memory — which is still outstanding, all the CAP under CAP — yes; there's a few million there.

**MR. SPIVAK:** This essentially is a problem of following through, really.

**MR. MILLER:** No. It's also, unfortunately, Mr. Chairman, a question of interpretation. As the honourable member well knows, you can get an auditor who will interpret things in a certain way consistently, and then suddenly just, for whatever reason, because the word comes from Ottawa, start interpreting very legalistically and suddenly, cost-sharing which has flowed before is suddenly questioned. It is this sort of thing that does occur from time to time and I know this from my experience, not in this department, but in other departments where you have to have this sort of central control to make sure that in fact, if something is occurring we are alerted so that we can perhaps do something on a political end.

**MR. SPIVAK:** Does the decision reach the ministerial level?

**MR. MILLER:** Oh yes, it very often reaches the ministerial level.

**MR. SPIVAK:** Even with respect to what would be normal interpretation of account procedures?

**MR. MILLER:** No, there is no disagreement between the federal and provincial staffs and doesn't reach the ministerial level. It reaches the ministerial level when there is a feeling that somehow things have been changed.

**MR. SPIVAK:** No, no, I know. You're talking interpretation at this point at a lower level in terms of the procedures in the accounting records.

**MR. MILLER:** No, what I said still stands that it's not just dealing with the Federal Government it is also advising our own departments, the staffs in Health or Post-Secondary Education or Social Services or Northlands Agreements, that there be consistency in dealing with the Federal Government. So that it's advising not just the Minister with regard to federal negotiations but rather federal payments, but rather to assure that there is consistency in handling by the various departments in their relations with the Federal Government and the agreement that has been signed.

**MR. SPIVAK:** . . . guaranteeing discussions that are taking place with the Federal Government. I know there is certain certain principles involved in terms of period of time, but you are suggesting as well that there is a problem with respect to the arithmetic involved as well.

**MR. MILLER:** Yes, that's been going on now for about three or four years as well in the equalization formula which has changed, they have increased the number of components or factories which they are taking into account — I think it is something like 27 now; it used to be 19 — it is that sort of thing that has got to be watched.

**MR. SPIVAK:** You made a prediction with respect to the revenue estimates as to what revenue guarantee and equalization would be. Is that really then subject still to potential review in a sense of a modification, either upwards or downwards or — no thought of upwards, but maybe downwards?

**MR. MILLER:** Well, it is as good a guess as we could make, the likelihood is that it will be just about what has been indicated. To be very frank, my experience at Ottawa is such that I wouldn't want to make book, or I wouldn't put my life on the line, let's put it that way.

**MR. SPIVAK:** But, in all fairness, in the last few years has not the equalization payments been higher than estimated, in almost each case, in terms of the presentation of Revenue Estimates the last years? The actual equalization payments that were paid in.

**MR. MILLER:** Had been higher in every year? **MR. SPIVAK:** Higher than was actually placed in the Revenue Estimates.

**MR. MILLER:** I really don't know that . . . They give us the estimates that we indicate. In other words, we get our information from Ottawa. They tell us this is what they estimate will flow, and we simply use their figures in preparing our revenue . . .

**MR. SPIVAK:** I was going to ask that basic question of federal-provincial relationship but maybe it would be just as well to follow through here. You receive, I guess, quarterly estimates, is that right? **MR. MILLER:** Not always quarterly.

**MR. SPIVAK:** And those estimates adjust the revenues that are anticipated?

**MR. MILLER:** That Ottawa anticipates.

**MR. SPIVAK:** So that it's conceivable that for budgeting purposes it is possible to budget the time when Revenue Estimates are either estimated at that point, at a time when it could be either lower or higher than actually that will result?

**MR. MILLER:** Yes, we use the one that is available to us at the time that we finalize

**MR. SPIVAK:** The pattern has been, insofar as equalization is concerned, it has been higher almost at every estimate. But I think that the reasons should be known and then I'd want to make a comment on that if I could.

The reasons are the adjustments are made because revenues are higher than anticipated all over, or is it to do with the arithmetic and the accounting procedures, or has it to do with other factors as other elements of this enter, outside of Manitoba, with respect to the formula for equalization that is the actual formula that is applied by the federal government.

**MR. MILLER:** It's largely the estimating gets done that we get from Ottawa, and of course, it's not just Manitoba, it's a national forecasting to the extent that it effects the national picture it effects Manitoba.

**MR. SPIVAK:** But in terms of budgeting procedures, then it is possible to anticipate, knowing that the adjustments and change are taking place, and that there's always been an upward pressure on this to estimate conservatively, obviously because you are basing on the figures that Ottawa is presenting at the time, wherever the Budget comes forth. But there can be an anticipation that the adjustment will be upward. Is that not a fair assumption to make?

**MR. MILLER:** Well, perhaps in one area it might be, in another area it might not be. In the case of revenue guarantees we estimated, because we had every reason to believe certain revenues and they just weren't forthcoming. So suddenly, there was a drop there.

**MR. SPIVAK:** Well, I know the revenue guarantee period, essentially it has really been an extended period in terms of what was originally proposed. I am not talking in terms of the equalization formula and I know the adjustments have been made, but with respect to the whole technique of the Budget itself, with respect to our analysis of the financial picture in the examination, the reality has been, I think' that one could say that the equalization payments have always been underestimated in terms of revenue, it may have been based on whatever projection Ottawa had giving you at that time. But in the final analysis, it has always been higher and if we follow the pattern, that would even be the case this year, I would assume.

**MR. MILLER:** Well, even if it is so, I say you can't isolate one particular component. It could be that equalization payments may throw up more than what Ottawa has indicated. The fact that it has in the last few years done so, doesn't mean that it's going to continue. On the other hand, some revenues may be less than anticipated.

When, I recall a year ago in 1976-1977, when the revenue guarantee estimates were calculated and based on figures that were made known to us, then suddenly the Federal Government of course threw up less money. decided to retroactively change their calculations which

**MR. SPIVAK:** Now just in terms of the principle of equalization, would you agree that the basic principle of equalization has been very good to Manitoba, had been very good for Manitoba, that in this respect, inspite of all the criticism at the level of the Federal Government, this is probably one of its strengths with respect to support for those provinces who are in a lesser position than some of the better provinces in Canada, provinces who are in a better financial position in Canada.

**MR. MILLER:** Mr. Chairman, if you're asking me how I feel about equalization, I can tell you that I'm a great proponent of it and a great defender of it, and whether Manitoba benefits as a recipient or Manitoba would have to contribute towards it, I would still support the concept of equalization as being essential to one Canada.

**MR. SPIVAK:** Do you ever see a position where Manitoba will be actually supporting equalization for other provinces?

**MR. MILLER:** So long as Alberta is pulling in the money it's pulling in , no. Some day, if water becomes a vital resource, maybe we'll barrel it and ship it to Alberta.

**MR. SPIVAK:** Is that really the only case?

**MR. MILLER:** It's the only liquid gold that I can think of.

**MR. SPIVAK:** All right. So in terms of prospects, equalization will always be of benefit to Manitoba, and that compensates for other things that have happened. I think that it's important in understanding it in terms of philosophy.

**MR. MILLER:** Well, if you are asking for philosophy, I think I just indicated my philosophy toward equalization. I think it's essential.

**MR. SPIVAK:** I wonder if you can explain — we're on the revenue guarantee at this point — what do you anticipate will take place. There have been statements that have been made as a result of Federal-Provincial Conferences, but what really is going to take place then.

**MR. MILLER:** If I had a crystal ball, I might be able to make a calculated guess. Frankly, I view the change by the Federal Government to put a limit on its participation in the major cost-sharing programs as a retrogressive step, because I think, although not immediately, I think over time the poorer provinces will end up having to pick up a larger and larger percentage of some of these costs. Since they'll have the least capacity to do so, it may affect their ability to render the services.

**MR. SPIVAK:** Would you say, in principle, that the accomplishment of equalization then, realistically, on the basis of the revenue guarantee and the change to revenue guarantee, were going to be minimized. In effect, the benefits that we just talked about in terms of the principle of which you're a strong advocate, is really, to a certain extent, put into jeopardy simply because of what's taking place with respect to the revenue guarantee, and will be down the line.

**MR. MILLER:** Well, again, we have to be looking forward to two, three, four years down the line, and at the Federal-Provincial Conferences, I have indicated my concern that if the Federal Government persists in limiting its participation to certain indices, gross national product, certain points of tax abatement, tax transfers, then it's very possible that the delivery of those services will be

jeopardized or be under great strain in some of the provinces. Manitoba, of course, is not in as bad a position as some of the Atlantic provinces, who are far worse off than we are.

**MR. SPIVAK:** Yes, but on the apparent critical path that we're on with respect to the pronouncements of the Federal Government and their indication of the policy positions, unless there's an alteration, this will become much more severe for Manitoba in terms of its capacity to be able to provide the existing services let alone any increase in those services.

**MR. MILLER:** Mr. Chairman, what the member is saying is one of the points expressed by me and others in the Manitoba Government over a number of years, that although we recognize there is a value in changing the cost-sharing methods, the procedure is to give greater flexibility within provinces to eliminate some of the duplication of accounting and checking one another, the constraints that that creates but the concept of national programs being financed nationally, so that irrespective of the fiscal capacity of our province, we should be able to take full advantage of it. To that extent, there is a danger that that will now be weakened.

**MR. SPIVAK:** Well I put the question to the Premier and I'd like to put the question to you because I think it's a point. In talking about Manitoba and its place in Confederation and looking at it from a fiscal perspective as opposed to historical perspective or socio-economic perspective but not the direct fiscal arrangements with the Federal Government, and in terms of the cost-sharing program, do you not think that there has been a failure at this point, on the part of all politicians — it's not a particular failure of the government, I'm not attaching it to as Minister or to members of the department — but a particular failure in the sense that the public, at this point, really do not understand the perspective which you see, and the problem area as it really is at this time. Because in terms of the discussion and debate that's taking place with respect to our country, with the exception of the pronouncements that are made at a top level by the leaders, possibly the western premiers or others, it would seem to me that you do not have, in the debate that's taking place in general, really any understanding at different levels of really what you're talking about. I make this comment because I think that the concern would be, and I think the reality is, that those who are involved in it, politicians, those who are the Ministers, who are involved on a day-to-day basis and have the problem of dealing with it, see this as a very serious problem and do all the work and effort, which is really not generally known by the public.

At the same time, I think they lose sight, generally, of the real significant problem of communication, so that there is some understanding. My point being that unless the public in Manitoba are really brought to a point of understanding in some very detailed way, and it's not through the legislative debate because I don't think it contributes too much to it, and it's not through the statements as you approach a fiscal conference and on your return, because usually those are one-liners, not necessarily that your statement is, but it appears to be one-liners. Do you not think that there is a need for a far more educational job to be done so that there would be greater understanding on the part of the people in the province of the real contribution that Confederation is making to Canada and what equalization is making, and the problem areas with respect to the suggested changes down the road? Do you not see this as a problem that you have to address yourself to? Not as the Minister of Finance, *per se*, but as one who is charged with sort of the primary responsibility and the need to try and bring the public to a point of understanding it.

**MR. MILLER:** Mr. Chairman, I concur with a lot of what the member says, my only response is, perhaps the member could take advantage of some occasion in the House and increase our promotional educational and advertising budget by a million dollars, and I'll try to do a better job.

**MR. CHAIRMAN:** Order please. I do like to give the members of the committee a certain amount of latitude, but I would remind members we are on Comptroller's Division, Canada-Manitoba Northlands Agreement. Maybe if the honourable member wishes to pursue this, he would be better advised under the Minister's Salary. Resolution 54(d) (1) Salaries—pass. (d)(2) Other Expenditures—pass. (d)—pass. Resolution 54: Resolved that there be granted to Her Majesty a sum not exceeding \$1,715,800 for Finance—pass. Resolution 55, Taxation Division (a) Administration (1) Salaries. The Honourable Member for St. James.

**MR. MINAKER:** Mr. Chairman, I wonder if I could ask the Minister, with regards to where there is a law in an Act like the Revenue Tax Act, that there would appear to be double taxation occurring on a product being burned, we'll say. Has the Minister got the power to change that Act by regulation, or does it have to be an amendment to the Act itself. What I'm raising the point on is the fact that last year, when there was amendments came through, I think it was on Bill 87, the government changed the ruling on making, I think it was steam and hot water that's used to heat a building, a taxable item. What is happening in some cases, particularly under the inspiration of companies to put in energy conservation type of equipment, what can happen and is, in actual fact, I understand, happening here in Manitoba, they could be using natural gas, or say, bunker sea oil to burn in a process, and the heat that is being discharged up the stack, what one can buy and purchase is a heat recovery unit that will take the exhaust heat and by pumping water through coils and so on, it can change it into either steam or into hot water, and they're using this hot water and steam to heat buildings. But what, in

actual fact, the law says, the way it's written now with these amendments, is that people who want to, say, conserve this exhaust heat and utilize it, legally, by law, should be taxed for the steam or hot water that they're producing. Now, what can come about from this is the fact that one could foresee, if somebody decides to put a solar unit in, I would think even here in this public building, the way the Act is written at the present time, for the fact that they're either using hot water as the heating device to heat the building, they should pay a five percent tax on that hot water. I wonder if the Minister can comment on that, because I know Shell Oil refinery is faced with this very problem right now, I understand.

**MR. MILLER:** As I am told now, what happened last year was really a clarification of the Act. The Act always provided that the taxation would be levied, so it was a clarification. It wasn't something new. What you're asking is, if one was to recirculate, capture and recirculate the heat which normally would be expelled, you're saying, is that heat then taxed again? Because you're saying it was produced once and then it's going to be recirculated. So what part of that is taxable? Is it the equipment that is installed, and that's a one-shot affair, and thereafter, if you're recirculating the same heat, instead of it going up into the stratosphere, it's being re-used again, I'm not sure if it's the heat, whether it's the heat that's taxed, or whether it's the equipment that creates the heat that's taxed.

**MR. MINAKER:** Mr. Chairman, my understanding of the Act, and it's very clearly defined, under Taxable Product, it says hot water used for the purpose of heating buildings, but earlier in the Act, it indicates that if you are using a fuel to use somewhere else, we'll say to run a process like an oil refinery, you pay for that five percent tax on the value that's set by the Department for whatever fuel they're burning. Then, because they put a device on the stack that's exhausting the fumes and reclaim part of that heat and turn the water into steam and then use that to heat the building, I understand that the Act very clearly says there should be a five percent tax applied to the value of the steam that is used to heat the building. Is this happening right now in Manitoba.

**MR. MILLER:** According to staff, yes, the tax includes the regenerated heat, on the regeneration of the heat. So long as it's used to heat the building.

**MR. MINAKER:** Can I ask the Minister if his department has had requests from various companies requesting that they look into this double taxation?

**MR. MILLER:** Yes, apparently they have had it. I'm not sure of double taxation. That's the one word that I'm not sure I want to agree with you on. The department says there is no double taxation, but they have had, apparently, some inquiries, including Shell Oil.

**MR. MINAKER:** Mr. Chairman, the next question, is the heating of Crown owned buildings either by motive fuel or by, say, purchase of steam from a central steam plant at the City of Winnipeg, are the Crown owned buildings taxed?

**MR. MILLER:** Yes, they are taxed.

**MR. MINAKER:** Then, I guess, legally, if one was to follow the Act, should we not tax the Department of Public Works for the hot water they're producing from the solar unit that will be used to heat the building right here, if one follows this philosophy?

**MR. MILLER:** Mr. Chairman, if it was used to heat the building, then it would be taxable. But apparently it's not used to heat the building. It's a research program and it's for testing purposes. It's not doing anything.

**MR. MINAKER:** That's why I'm raising the question. Must the Minister get the power, by regulation, to change this if the department or the government feels that this might be a disincentive to people trying to conserve energy or to utilize other forms of energy by taking, say, the sun out of the air, if you want to call it, and using its energy to heat buildings.

**MR. MILLER:** Mr. Chairman, my response to that, is unless the Act does in fact give the Minister the power to change by regulation, then in fact the Act is what we are bound by, and no Minister can change it.

**MR. MINAKER:** Mr. Chairman, can I ask the Minister, if they have had requests to change the Act?

**MR. MILLER:** As indicated, I believe Shell Oil has been in touch with the department, and several others. It hasn't surfaced to me yet, but I suppose staff is dealing with it.

**MR. MINAKER:** Can I then ask the Honourable Minister what the difference would be in the case of, say the Freshwater Fish Building at the University of Manitoba, where they heat the air, it's a media, it doesn't matter whether it's steam or whatever, with steam. They heat the building with steam, the air, and the air they're discharging from the building, the hot exhaust, is reheated, or the new air coming in is reheated through a heat exchanger. It's basically the same principle as what Shell Oil refinery is doing. Should they be taxed for that energy they're recovering by bringing in the cold air and heating it? Because basically, it's the same type of principle of recovery of heat. Should that become a taxable item because of the fact that in one instance, the law says, steam and hot water, but it doesn't mention air.

**MR. MILLER:** I don't think that's the question. You're generating heat. Whether you're generating it in the initial instance, or you're regenerating it in the second instance, you are nonetheless generating it. And therefore, I can see where there could be a case for taxation, because in both

cases, you're creating heat, whether it's first time, second time, or third time around, whether you're boosting it down the line, you are generating and creating heat.

**MR. MINAKER:** Mr. Chairman, do I understand the Minister correctly, that if the air is coming in, if the heat is regenerated in that new air, then the Minister is saying, that should be a taxable commodity as well?

**MR. MILLER:** You're asking me highly technical questions. I'm sort of using a layman's approach to it. You're saying, if it's proper to tax heat in the first instance, when you're generating it, then I can't see why it isn't proper to tax it in the second instance, when you're regenerating it, because in both cases, you're generating heat, whether it's by boosting it, or re-cycling it, or whatever it is, or just by burning it in its primary case, as if it was a piece of coal.

**MR. MINAKER:** Mr. Chairman, maybe if I can explain it in simpler terms.

**MR. MILLER:** Yes. You're too technical for me.

**MR. MINAKER:** The fact in the oil refinery application, the material that is being exhausted is hot air. It's the exhaust from the burning of the fuel. In this exhaust of hot air, energy is taken out of the exhaust of that hot air and changed into steam by utilizing water pumps or coils. In the second application I gave you, the energy that is being exhausted from the building, the hot air, is recovered but instead of generating steam, they are generating warmed-up air, that's what they are doing. So the principle is no different other than the fact that in the Act as it states right now, if you use hot water or steam, it's taxable, but if you use hot air it isn't.

I'm wondering, is that principle a correct one if we want to encourage people and companies to conserve energy. Because at the present time they are being, in my opinion, double taxed. Some are, some aren't.

**MR. MILLER:** I have to plead ignorance of the engineering knowledge that my friend possesses. I can't hope to match it. The staff is here; they have heard the discussion and I'm sure they are taking notes and I'll try to get back to the member with the rationale or otherwise of the department.

In the instance cited, all that would be taxed is the cost of the regenerating equipment, five percent on the . . . Apparently a number of submissions are being made and a number of briefs are being presented to Finance on this whole question of solar and others and apparently not just Shell Oil but others as well and we'll be looking into this whole aspect of it.

**MR. MINAKER:** Can I ask the Honourable Minister, is it too late for this session to consider possible amendments to the Act if they are required, to consider this?

**MR. MILLER:** The word I have from the Deputy Minister is they are not ready, they are not nearly ready at all. They are just getting these briefs in now.

**MR. MINAKER:** For the information of the Minister and some of his staff that are here, really, if one wants to get around it, one can use glycol to heat a building instead of hot water and technically they are getting around it. But the basic principle is still there, whether you should tax the recovery of energy rather than letting it go out into the air, and use that energy. So I hope that the Minister will look at this seriously because . . .

**MR. MILLER:** Now that you have raised it, certainly, the staff have taken note of what you said and it is being looked at apparently and will continue to be looked at.

**MR. MINAKER:** It opens up a very large bailiwick because there are other areas where steam is used to operate steam turbines and the exhaust steam is then used further down the line to heat water and so forth. They then, too, should be taxed and I think in my opinion that would be a wrong approach to this.

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

**MR. CHERNIACK:** Mr. Chairman, I'm just wondering whether people would do or not do this kind of regeneration on a five percent margin? I understand from Mr. Minaker that there could be other sources of revenue if one applied the principle and he believes it isn't being entirely applied. On the other hand he is saying he disagrees with the principle and therefore it should be given back. I would agree that there ought to be uniformity in taxation, but I would like to know whether he really thinks that if the tax were removed that there would be a stimulus for that five percent to go into other kinds of energy production or whether maybe it wouldn't be right once you have the tax to make sure that you extend it in the form of uniformity.

**MR. CHAIRMAN:** Order please. I would remind honourable members that we are in Committee of Supply and they should refer to other members by constituency and not by name. The Honourable Member for St. James.

**MR. MINAKER:** Mr. Chairman, I think that if we want to create some incentive to companies to look at this thing, this is just one of the areas, an ongoing area of a cost factor, the five percent tax. I understand in the case of certain companies it can get relatively large because I believe the estimated value to say produce a thousand pounds of steam is \$2.00. So you're looking at ten cents for every thousand pounds of steam they produce. Well, some of these processes can utilize many thousands of pounds of steam a day and all of a sudden you could be looking at fifty or sixty thousand dollars a year in operating costs, or larger, and it all comes into the production costs or the heating costs.

Where it goes one step further, Mr. Chairman, would be in the fact that if solar energy is going to be a supplementary type of heat, I would think it would lend itself to apartment blocks and to buildings moreso possibly than to residential units. Under the Act, the way it's written now, those particular areas be taxed whereas they would be exempt residentially — my understanding would be, from the Act.

So that in addition to that, most of this type of equipment I was talking about unfortunately is produced in the U.S.A., where when they bring it across the border they pay 15 to 20 percent duty on it to start with and then another 12 percent Federal, another five percent provincial, then the free enterprise system also has to make a profit so that quite often by the time this thing comes in, it's 69 percent higher just through taxation and probably 10 or 15 percent higher for the profit. So that you're almost looking at twice the cost that you can buy it for in the States. All these things discourage or economically don't make it practical possibly at the present time. Any encouragement through some type of tax incentive, I think, would assist them and I just think it's wrong to tax in one area, but there are many places in Winnipeg right now, if you follow that philosophy that's presently being used in the Act, these other areas should be taxed.

**MR. MILLER:** Mr. Chairman, as far as equity in taxation is concerned, I can't quarrel with the member, but I do think this, that so long as the energy costs are going up, if firms are planning to install equipment of one form or the other, I don't think that it's going to be solar for a long time, but equipment that regenerates heat and so on, they are doing it because the savings that they can make in the use of steam or what have you is so large that it pays them to do it. I don't believe that the five percent is going to deter them. In the first analysis, it's the basic primary cost of whatever their source of fuel is, whether it's oil or gas or whatever. It's that increase in cost which is forcing firms to look at the whole question of a source of energy which before was so cheap they didn't both with it, now it's becoming a significant component of their overhead costs and so they will be looking at these cost-saving devices. And since it's part of their general operation, it can be charged off as an expense.

**MR. MINAKER:** Mr. Chairman, I don't have any further questions on that particular subject. I have another question on a different subject. If there are other members that may want to continue in this questioning, then I'll yield to them on that particular subject, but I have another one relating to the mining royalty tax.

**MR. CHAIRMAN:** That would be 55(c).

**MR. MINAKER:** Actually, it would be under this. I understand the Taxation Division looks after motive fuel and under the mining royalty. I thought I could discuss it under here. It relates to actually the administration and the Act itself.

I wonder, Mr. Chairman, if the Minister could advise if his department has been requested either by other departments, the Mines and Resources Department, or industry itself, to look at adjustments to the incremental tax for oil production, particularly for water flood applications in our province? Has there been a request from any department or from any of the producers that this mill rate might be reviewed so that it might make the water flood technique more economically feasible in our province because there is a greater efficiency in recovery with this technique.

**MR. MILLER:** Mr. Chairman, I have to wait for guidance from my staff here. To the Deputy's knowledge there has been no contact to the department. It may have been through the Department of Mines and Resources but not through Finance. —(Interjection)— There has been one to Mines but we haven't seen it yet, the department hasn't seen it yet.

**MR. MINAKER:** Mr. Chairman, then a request came in through the Mines Branch that it might be economically feasible to recover oil more efficiently through water flood if the incremental tax might be adjusted for that more costly type of operation in terms of capital investment and so forth, would the Mining Division make that decision and make these adjustments or does the Finance Department do that?

**MR. MILLER:** I believe it is the Finance Department that would make it but it certainly would make it in consultation with the Department. It would have to be coming through the Department of Mines and Natural Resources, then through the department because they have to work together on this. And it goes eventually to Cabinet for a final decision.

**MR. MINAKER:** Mr. Chairman, then to the Minister's knowledge, nobody has approached his department indicating that they were prepared to expend a fair amount of money on a pilot plant and then if things worked out, a large capital investment in this type of operation if there was some change in the incremental tax to make it feasible?

**MR. MILLER:** As has been indicated, not directly to the department but apparently there has been some contact with the Department of Mines and Natural Resources which eventually will flow to Finance, but not directly to the Department of Finance.

**MR. MINAKER:** How long would that take to flow through?

**MR. MILLER:** I don't know, depending on how technical it is and how long it's held at the Department of Mines and Natural Resources and to what extent they have to investigate it and satisfy

themselves before they pass it on. You see the Department of Finance doesn't have that kind of technical expertise from the point of view of the mining or the . . .

**MR. MINAKER:** It's my understanding, Mr. Chairman, that such a suggestion or proposal was made some three years ago and I was wondering if it took that long for the department's communications to take place. **MR. MILLER:** I can only tell you that the Department of Finance is not seized of it. The Department of Finance is made up of finance people and not oil engineers or engineers of any kind.

**MR. MINAKER:** Mr. Chairman, should a request come like this from the Mines Branch, would the Finance Department look at the economics with regard to how many more barrels of oil could be produced daily from the proposal and work out the financial benefits to the province versus what the present is? Who would do these calculations?

**MR. MILLER:** The Department of Mines and Natural Resources would have to do that; they're the logical ones.

**MR. MINAKER:** But the final request would have to come to the Finance Department and the Finance Department would put the recommendations of legislation to the Cabinet?

**MR. MILLER:** If there was going to be a change in the Act then it would require the Department of Finance and in final analysis by Cabinet.

**MR. MINAKER:** Thank you very much.

**MR. MILLER:** Mr. Chairman, a correction — I've just been advised that the Mining Royalty Tax Act, that's the one you are talking about, that was introduced in the House by the Minister of Mines and Natural Resources. The Department of Finance is simply the agency which enforces it or collects it but the Act itself was introduced by the Minister of Mines and Natural Resources.

**MR. CHAIRMAN:** The Honourable member for River Heights. **MR. SPIVAK:** In the description of the Taxation Division, it says, "Advises on certain taxation policy." I wonder if the Minister would indicate what that really means? Does that mean that they make recommendations for alterations of policy announcements or policy decisions or is it simply a question of again preparing accounting and documentation for consideration?

**MR. MILLER:** Well, it is mostly accounting too. On the other hand they can and do bring forward proposals and certain ideas they may have on taxation as comparabilities between one kind and another. But basically they deal, particularly this branch, deals with the application of the tax itself.

**MR. SPIVAK:** Would this be the section of the department that would present the Minister with information if capital was leaving Manitoba. If an analysis had to be made whether capital was leaving Manitoba because of taxation policies, would this be the department that would provide the information if such is the case?

**MR. MILLER:** I think if they had it and they knew it they might provide it. They don't have it and so it hasn't been provided. I think if the department knew something very concrete, they might make a recommendation or bring it to our attention. I do know one of the functions of course is to monitor what is happening elsewhere across the country as far as taxation is concerned.

**MR. SPIVAK:** Has there been any study undertaken as to whether capital has been leaving Manitoba in the last few years?

**MR. MILLER:** Not to my knowledge. I'm not sure how one would even go about getting that information but I'm no expert at it. To my knowledge there has been no study undertaken or any information thrown out to prove that to be the case.

**MR. SPIVAK:** Notwithstanding all the charges that have been made, then the government has not asked the department and this division to make some kind of analysis as to whether capital is or is not leaving?

**MR. MILLER:** Well, I'm not sure it hasn't been asked. I'm saying that the department has not come forward with anything and as a matter of fact, recently in response to questions I had the response I got is there's nothing to indicate that such is the case.

**MR. SPIVAK:** Has a request been made for some study, evaluation as to whether capital has in fact left Manitoba?

**MR. MILLER:** No, as I've indicated, there have been no formal studies to my knowledge. There's been an exchange of views between myself and staff.

**MR. SPIVAK:** An exchange of views between yourself and staff? You have requested the staff for information?

**MR. MILLER:** Yes, questioning the very thing you are saying about the outflow of capital from Manitoba, and I know the reasons you are asking it. I could get nothing firm from the department to indicate this in fact was happening.

**MR. SPIVAK:** Has the department's Taxation Division ever contacted the banks, financial institutions, the legal offices to determine whether in fact there has been a capital outflow out of Manitoba in the last period of time?

**MR. MILLER:** Mr. Chairman, to our knowledge there hasn't been. As a matter of fact, the staff now reminds me — I think this was some of the material in the Budget Address — that the private sector

investment has continually grown up to and including 1976. So there has been nothing that would indicate a drop at all or a change in the growth pattern.

**MR. SPIVAK:** Mr. Chairman, to the Finance Minister, is the staff not capable of making a proper evaluation as to whether there has been a capital outflow by discussion and a survey of those people who would have some knowledge as to whether this has or has not taken place? I'm now not talking about whether there has been capital investment — there's a distinction between whether new capital investment has occurred and I'm not talking about that — I'm now talking directly about capital outflow.

**MR. MILLER:** Well, I can't really respond to that question directly. I can go by what figures we have, which shows that the capital investment has increased. If you're asking me what outflow has there been, whether this year or ten years ago, or twenty years ago, I don't have that information. It's not something that I think is readily available. At best I think it could be simply questioning people here and there, I think what you get are subjective opinions, rather than facts.

**MR. SPIVAK:** Mr. Chairman, with all due respect to the Finance Minister, and because this is one area which I think probably is a very serious area and one which is probably dicey in a political sense, the reality is that I think that study could be undertaken. The reality is that I think that information is easily available. I think it's quite possible, by survey in which a confidential discussion would take place with those who are involved in estate planning, and in handling the funds of some of the major people who have had wealth in this province, who have developed wealth in remained this province, to determine, whether in fact, the funds have in Manitoba or have been distributed out.

I don't think there is any question, I would have to say that when succession duties were introduced, not just here but elsewhere and Alberta remained as a tax-free jurisdiction as far as succession duties were concerned, that obviously had its attraction, and it would be foolish, it would be simply putting your head in the sand, to suggest that there would not be accountants, lawyers, institutional advisers in the field of estate planning and financial management, not to advise people to look at the consequences and to suggest that changes should not take place. This was one of the problems of the lack of uniformity of the legislation, and one of the difficulties with respect to the whole question of the taxation field.

It would seem to me, if we talk about responsibilities, somebody somewhere, somehow, should have produced something. Our problem at this point is that if I was to recount personal expressions of opinion, expressions of opinion to me by people who are involved in this field as to what has really happened with respect to the areas in which they've been involved, some of the information is rather startling. I would think it would be very important in the evaluation of whether the policy announcements, and even the changes that have been proposed this year, in terms of the policy positions, are correct or not. I guess we'll have a chance to debate it, but we're going to be debating it in the House without any facts. Because in effect, what you're really saying is that the Finance Department does not have the facts. — (Interjection) — Well, it has no facts, it has projections of private sector investment, but that's not what we're talking about. We're really talking about totality of funds that were here and invested in some form, that may or may not have been withdrawn. You can cite examples, and I think those examples are known in some cases, to the members of the government of people who have, in fact, moved, and taken with them, what would at least be perceived to be substantial stakes.

One doesn't have to practise law very much, or mix with with the legal profession or the accounting profession to recognize what really is happening. I have to say that it's one thing to say that our policy is a policy that we are going to proceed with because of whatever philosophical grounds we believe are the bases and the concepts that we will follow, but it would be foolish to determine that as a policy without at least knowing what the facts are. And if in fact, those facts are not known, then I have to say that it's a testimony to a pie-in-the-sky attitude, and I think a wrong judgment, and that probably is something that should have been done some time ago. I suggest to you, it can be done. It may not be the most accurate report that could be presented, but certainly trends, and certainly some analysis could be done, and I think that it would prove damaging in some cases to the positions that the government has taken, and may be impressive enough to cause some concern in terms of the change of policy positions that have to be undertaken. I think, if there has been a failure in this respect, it really is a failure.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. BLAKE:** Mr. Chairman, I hope this is the right department to bring this up under. We had some indication, in discussing the Auditor's report that . . .

**MR. CHAIRMAN:** The Honourable Member for St. Johns on a point of order.

**MR. CHERNIACK:** Once you clear with the Member for Minnedosa whether he's on the subject or not, I want to deal with the exact subject that the Member for River Heights dealt with.

**MR. BLAKE:** I'll yield until you clean that one up.

**MR. MILLER:** What number are we on?

**MR. CHAIRMAN:** We are on Resolution 55(a)(1). The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I haven't the slightest doubt in the world that there are tax havens, and that there are places where people would love to squirrel their money in order to avoid taxation. There isn't the slightest doubt about it. What's the name of this fellow, Irving? K. C. Irving, who ran away from New Brunswick, I think he owned about four or five cemetery plots, so that he could always say, "Well, there's an indication of my intention not to live in New Brunswick." There isn't the slightest doubt about it. However, I have made inquiries, I have yet to find any organized way that has been used by any jurisdiction to calculate the extent to which there has been an outflow. If the Member for River Heights knows of some scientific way or some body, some economic survey board, some study group that is able to devise some way of calculating it, it would be helpful because I think it should be known, Mr. Chairman. I don't think this government has ever denied the fact that taxation is something that people like to run away from. The fact is, people come back to Manitoba in spite of taxation, it would appear, so that although I can testify of people I know who have left the province, I can also testify about people I know who have come back to the province.

Now, the fact is that I have had accountants, I have had lawyers, I have had farm organizations say, "You are, by your taxation policy, forcing money out." And I have always asked, always, consistently asked for some evidence, and the answer was, a very responsible answer in some cases, and that is, "We cannot divulge that which is confidential, that which is part of our professional knowledge." Now, if the Member for River Heights suggests that we should start making a study and acquiring statistics based on generalized statements by various professionals saying, "I know of half a million dollars that left Winnipeg the day before yesterday," I don't see that that would be the kind of a thing either. Because the fact is, unless you have some evidence to back it up, you're going into the same kind of generalization that the Member for River Heights is doing. And he said, "If I were to tell you what I know personally, then we would know that," but he isn't telling us, and I'm not blaming him for not telling us. He would if he could, because it would prove his point. But he can't, because he may feel under some moral or ethical prohibition from doing so. So, I'm not critical of it, I'm just saying it doesn't help to go around saying that.

The fact is — and he would be glad to know about facts — that there is some money that leaves, but there is also some technical ways of moving the money out of a jurisdiction but leaving it working here. And he knows very well that you can incorporate companies that could have their offices and shares held in Alberta, and the money would still be working in Manitoba, but would not be liable for taxation, but of course, if he removes the tax, then there would be no saving either way. If the money is still working in Manitoba, whether it's taxed or not, it's still part of the endeavour, of the growth of the province. The fact is that we do have indication of investment in Manitoba, and we have indication of investment in Manitoba as compared with the rest of Canada, so we do have hard yardsticks which talk about growth. And the fact is that in the last seven years, there have been substantial increases in growth in Manitoba. Now, there may be people who say there should have been more, or there would have been more if there weren't taxation to drive money out of the province.

I would like to know the facts, but I have been unable to ascertain the facts, and the Member for River Heights obviously hasn't been able to ascertain the facts. I don't know, when he was Minister of Industry and Commerce, whether he had all the answers that he now expects to be given to him. I just don't know that, but I have not been able to see it in any other province, in any other jurisdiction, or in any other economic review boards. If there were any, I think it would be useful.

**MR. SPIVAK:** Mr. Chairman, first, to the Member for St. Johns in terms of the capacity of a group to be able to present a what's reasonable picture of happening based on facts — you know I don't know why he would ask me whether such a group exists — they're right over there.

**MR. CHERNIACK:** But they don't know.

**MR. SPIVAK:** Yes, they can know. All they have to be is told. There's a difference, Mr. Chairman.

**MR. CHERNIACK:** Well, show me . . .

**MR. SPIVAK:** It's very simple. You instruct the group over there to do that review, and I have full confidence in their capacity and capability, to present a reasonably accurate picture to the government of where it really stands with respect to this issue. I think that they're quite capable of doing it. There are — and I know this from my own ministerial experience — there are various ways in which conversations can be held in such a way, in terms of confidentiality, without in any way jeopardizing individuals or names, that a basic picture can be presented as to what is really happening. And the interesting thing, Mr. Chairman, is that with all the attacks that have been made in this area, and with all the claims and counter claims that have been made, you would think that at least they would want to be able to understand and determine it. My feeling, gentlemen, is that they don't. That's one thing.

Certainly with respect to the questions, that's a very important. I'm in a very funny position. There have been matters presented to me, as I am sure they have been presented to the members opposite and to other members, with respect to what's happening by people who have some authority. I'm not sure that the publication of that information in the abstract does much to assist or enhance the economic climate in this province, and I think that there is a degree of concern. At least, I have it with

respect to it. I would say that if — and I make this as a general observation — that the capital outflow has been unbelievably fantastic. — (Interjection) — Yes. I believe it's been unbelievably fantastic in the last period of time.

**MR. CHERNIACK:** We should write it down somewhere.

**MR. SPIVAK:** And I think that that would be proven. I think that can be proven by the kind of work and effort that has to be put forward. I think if that evidence was there, even if that evidence was never presented, as such, to a committee of the Legislature, it could temper some of the judgments of the members opposite in relation to some of the policy determinations that they've made, because I think they've made some errors, and I think those errors, made mainly on the basis of best of intent in terms of the philosophy, have been short-sighted in terms of its impact in the economic effect it has. We're in a problem area today of job creation, where you're going to be pouring money into public works programs, some of which will have limited benefit, if any benefit whatsoever, but nevertheless, they are make-work situations, when in turn, in terms of the total economy, there are certain things that I think could have happened and have not happened, and things that could happen in the future that will not happen here. I think that that, unfortunately, Mr. Chairman, happens to be unfortunate in every respect.

I think the best way in which the arguments that I'm suggesting could be met, and in which I would be destroyed as far as a presentation would be, for the members opposite to be able to prove this by some accurate survey which would have the staff of the Department of Finance and which would provide the information which the Minister then could rely on and say, "This information is entirely correct, and the Opposition are just acting like other oppositions all over the place, in trying to just do certain things, or say certain things that will reflect on the government." But you know, Mr. Chairman, that has not happened. And it's surprising, because in almost every other case, the government's been able to produce something. This is the one area that it hasn't. The fact that it hasn't been asked for, I think is testimonial to what I am saying.

We can go on with this Debate, I am sure we will. But the fact is, the gentlemen opposite are quite capable of being able to put that information before the Minister.

**MR. CHERNIACK:** Mr. Chairman, we've just heard the Member for River Heights make a statement, I should have written down the words he used, something like "fantastic" as to the outflow. That comes from the member whose most famous words, to my recollection was to warn the Opposition not to downgrade the economy of the province because it could be damaging to the province. I have to remind him of the words, which no doubt have proven to be of great embarrassment to him in the past.

He has now given us his assessment of the situation. He used a word like fantastic, I think it was, and that becomes his scientific report on his investigations, and he is no mean investigator, Mr. Chairman. He's a person of competence and a person who has taken a great deal of trouble to come up with conclusions. So now we know his opinion. Now, when I said that I don't know of anybody, that includes the people that are behind me, who used to report to me when I was the Minister of Finance, and I am not aware that there is anyone amongst them who has that capability. Not that they don't have the intellectual capacity, I just think that there isn't that information available. When I said I knew of no one, and I still challenge the Member for River Heights, to show me that the Economic Board of Canada — if that's what they're called — to show me that there is another province with a research staff, to show me that there is a university that is able to get the kind of information to which they would put their name. Now the Member for River Heights was quite prepared to put his name to the statement about the fantastic money that's leaving. That's all he's done, is just say, "I believe." But I'd like somebody who has a feeling of responsibility for his reputation to be able to say, "Yes, we can do it accurately enough to report it and have it discussed, and have it acted on."

Having said that, I still say I would welcome the information, because I recognize that as you tax, so do you discourage people from exposing themselves to taxation, unless they get a return for their money. People in Manitoba get a return for their money, or in the style of living or the standard of living within the province that makes it worth their while to stay here. The fact is that the big wealth can manoeuvre around in such a nice convenient way, that they still stay here. The people I know of who leave, are the people who are ready to retire anyway, and they may be leaving, but I can't turn that into a statistic because I have too much respect for the people who would be expected to use that statistic, and since it's isolated in many cases, and since the people who may have the information are not prepared to divulge it, at least they haven't to me in the past, I would think that the Member for River Heights would be well advised to assist the government — no doubt the way he would like to do it — in trying to get realistic information which would be acceptable by people who have an objectivity in their review of facts.

**MR. MILLER:** Mr. Chairman, not to prolong the Debate, I still want to point out that in the final analysis, something we can measure is the extent of private investment in Manitoba and we know it has doubled in the last seven years, hardly an indication of an outflow of investment. Maybe somebody hives off and forms a paper company somewhere, but nonetheless, investments are

taking place in Manitoba, and over the last seven years, it has doubled, which is a better record than the previous seven years.

**MR. SPIVAK:** I really don't think there is very much to debate here. I've made the point. I would cite, with respect to my investigatory powers, the allegations that were made with the Co-Ops, with MDC and Flyer and Saunders in the earlier stages, with CEDF, all of which proved to be pretty accurate, in the final analysis, as the years unfolded. I would say to the former Finance Minister, that it's very unlikely that you would accept anything I would produce, in any case.

**MR. CHERNIACK:** Well, if you have facts, not opinions.

**MR. SPIVAK:** Well, I think facts are subject to interpretation, and I think we would get involved in your interpretative qualities and mine, and I don't want to underrate your capacity in dealing with interpretation, but I suggest in reality that the payer to request, albeit a request that may not have been able to be fulfilled, and the members of the department opposite who were there would say that they couldn't fulfil it, at least would be a better answer than no request of the department to provide that information. And I think there is the testimony because that request, I think, should have been made.

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

**MR. CHERNIACK:** Mr. Chairman, I did not say no request was made. I did not say no request was made. I have discussed with the former Deputy Minister, I have discussed with various people in government, not only in the Department of Finance, but in other research areas, individuals, the possibility, and I was faced with the fact that they could not come up with a measurement or a yardstick that would indicate the value of this kind of a study.

**MR. SPIVAK:** That's interesting, then. You're the former Finance Minister, saying that at one point he had discussions on the potential.

**MR. CHERNIACK:** Not at one point — on occasion.

**MR. SPIVAK:** On occasion. Did he consider that there should be just, from his point of view, a contact, just at the initial stage, between some of his officials, either his Deputy Minister or himself, with those who are in the financial field, with the main accounting firms and the main legal firms to determine whether this really is happening, because one has to assume that advice would be given, and also one has to assume that to a certain extent these things happen in a major way. I am suggesting that the information I have is that it has happened in a major way in certain cases, and that they are substantial sums.

Realistically is he suggesting that communication between an official after this discussion with the other people in the financial field, the accounting field and the legal field would not have provided some insight into what was happening, or does he not think that that information in itself would be sufficient?

**MR. CHERNIACK:** Mr. Chairman, I have talked to accountants and I have talked to lawyers. I haven't talked to bankers because I am very sure they would not give information, but the accountants and lawyers with whom I have discussed it made it very clear to me what I knew in advance, and that is that they were not prepared to divulge any information. They could give impressions. And you know much of this, the kind of information that they might be able to give, might be recognizable as it relates to people.

Now if the Member for River Heights is prepared to take blanket impressions from blanket members of the various professions, that would be his privilege. I wouldn't, because I don't think that is something to which I would like to certify, and that is where I stopped because I felt I couldn't get any responsive, responsible response from these various professions. So I stopped there.

**MR. SPIVAK:** I wonder if the finance Minister or the former Finance Minister can indicate whether any major developers have had discussions with either one of them with respect to the taxation position of Manitoba, indicating that they were going to have to look elsewhere outside of Manitoba if the taxation levels continued in the way that they did in Manitoba?

**MR. CHERNIACK:** You mean the Trizec? What do you mean, major developers?

**MR. SPIVAK:** No, I said major developers. I am just asking. Manitoba developers.

**MR. CHERNAICK:** I would have to say no, Mr. Chairman, for my time.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MILLER:** I would have to say that in the few months that I have been in this office, no, I have not been approached.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. BLAKE:** Thank you, Mr. Chairman. I wonder, there was some indication given to us when we were on the Auditor's Report that the up-to-date figures on the revenue from the various tax areas would be available, and I wondered if the Minister would be able to give us that information now, that is, up-to-date information on the revenue from the various tax fields. Is that information available? We had some indication that it would be available.

**MR. MILLER:** You mean during the time of the Public Accounts?

**MR. BLAKE:** Yes, for the year ending March 31st, 1977. We have it for 1976. I just wondered if that

information was available, and would we be able to obtain it or would . . . ?

**MR. MILLER:** We have apparently the first run might be available, but not the final run. There are still adjustments to be made on it, but there could apparently be a first run on that sort of information.

**MR. BLAKE:** Could that information be made available to the members of the Committee? Would that be any problem?

**MR. MILLER:** Well, I am wondering if that is properly done now or is that the revenue bill itself when that is being discussed? I look to my colleague of course.

**MR. BLAKE:** Yes, I didn't know whether this was a proper section to bring it up under, or whether it should be under the Comptroller's division.

**MR. MILLER:** It probably belongs more with revenue, and perhaps when the revenue bill is being discussed in the House, that might be the time that I have that information.

**MR. CHAIRMAN:** Resolution 55(a)(1)—pass; (a)(2) Other Expenditures—pass; (a)—pass; Resolution 55(b) Retail Sales Tax Branch (1) Salaries—pass; (b)(2) Other Expenditures—pass; (b)—pass. Resolution 55(c) Mining and Use Taxes Branch (1) Salaries. The Honourable Member for St. James.

**MR. MINAKER:** Mr. Chairman, I wonder if the Honourable Minister can advise if his department is looking at any way of streamlining the metric calculation and the collection of the incremental tax on oil production in the province? It is a pretty, I understand, extended and hairy method at the present time because of the asking for daily counts and so forth. I wonder if the department has had requests and if there has been any thought to trying to review this, because I understand it is really an accountant's nightmare for the small producers, or any producer trying to provide the information, I understand, the monthly information that is required.

**MR. MILLER:** I am trying to listen, though, with one ear to what was being said, and it reverts back to the question previously. This apparently is within the Department of Mines and Natural Resources. It is done in consultation with Finance, but the primary department is my largely mine.

**MR. MINAKER:** In other words, Mr. Chairman, the Honourable Minister is saying that the month-by-month check of the accounting, etc., and also the accounting itself and collection of the tax is done by the Mines Branch?

**MR. MILLER:** The Department of Finance does the collection, but it does the collection based on the formulas, etc., which are devised in the Department of Mines and Natural Resources.

**MR. MINAKER:** Can the Honourable Minister advise: Is it his department that does all of the painstaking accounting and the checking to make sure that the values that are brought in are correct and so forth on their daily reports?

**MR. MILLER:** Yes, apparently the department does whatever checking is required, but again, within the formulas established by Mines.

**MR. MINAKER:** Can I ask the Honourable Minister if his department finds it very cumbersome and would like to see this reviewed and possibly streamlined in some way for both the department and also the producers?

**MR. MILLER:** Apparently the Department of Finance has asked the producers for suggestions on methods of streamlining, which is obviously their problem, but I am advised that there has been nothing yet which has come forward from the producers themselves which might help to streamline. Again as I say the Department of Finance does the collecting, but it is within the formulas established by the Department of Mines. I am not sure how complex it is. I accept your word that it is a complex one, and to the extent that I am sure Finance would like to see it simplified, I am sure they would be discussing with the Department of Mines and Natural Resources the means of simplifying it and also the producers. So long as they don't lose money.

**MR. MINAKER:** So then the Minister is saying that the initiative again in this instance has to come from the Mines Branch, and as well as the legislation change would have to come from the Mines Branch if required.

**MR. MILLER:** Yes, yes.

**MR. CHAIRMAN:** Resolution 55(c)(1)—pass; (c)(2) Other Expenditures—pass; (c)—pass; Resolution 55(d) Succession Duty and Gift Tax Branch (1) Salaries. The Honourable Member for Minnedosa.

**MR. BLAKE:** Yes, I wonder if the Minister could tell us how many people are employed in the Succession Duty and Gift Tax Branch?

**MR. MILLER:** I believe it is fourteen.

**MR. BLAKE:** And are these full-time employees, or do they have other duties?

**MR. MILLER:** The establishment is fourteen. That's it, and as I indicated in my opening remarks, we have been using seconded federal staff up until this year. Now they are becoming provincial staff.

**MR. CHAIRMAN:** The Honourable Member for St. James.

**MR. MINAKER:** I wonder if the Honourable Minister could advise us what revenue was collected last year under The Succession Duty Act by the thirteen employees?

**MR. MILLER:** I don't have it here, but it could be provided when we deal with revenues. Mr. Chairman, I recall during the Budget, I made reference to something like \$7.5 million. I stand corrected. I think it was around \$7 million to \$7.5 million.

**MR. MINAKER:** I was just curious because in the Public Accounts, maybe I . . . I guess it was take out of Estate Tax and placed in Succession, was it?

**MR. MILLER:** No, that's Estate.

**MR. MINAKER:** In the Public Accounts under the Estate Taxes it isn't shown for 1974 or 1975 or 976.

**MR. MILLER:** The Estate Tax was the federal tax. They are still using that title, perhaps, in that book that you have.

**MR. MINAKER:** Okay, right, we picked it up. Okay.

**MR. CHAIRMAN:** Resolution 55(d)(1)—pass; (d)(2) Other Expenditures—pass; (d)—pass; Resolution 55(e) Corporate Capital Tax Branch (1) Salaries. The Honourable Member for Minnedosa.

**MR. BLAKE:** Mr. Chairman, I wonder if the Minister could give us an indication of the estimated revenue under the new Corporate Capital Tax?

**MR. MILLER:** Well, again the same problem. I will when . . . Again I am remembering and I believe I indicated again in the Budget Speech, it was, I think, . . . if I don't recall it, I won't name it. I do recall it being a figure of about \$6.5 million, but that was only for part of the year. You see, it only came into effect July 1st, 1976.

**MR. BLAKE:** Yes. It's estimated at \$12 million this year, but around then \$6.5 million. I just wondered if you had the figure on it.

**MR. MILLER:** No, I don't have the final.

**MR. BLAKE:** When you get it, give it to me when you find it.

**MR. MILLER:** Yes.

**MR. BLAKE:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 55(e)(1)—pass; (e)(2) Other Expenditures—pass; (e)—pass. Resolution 55, Resolved that there be granted to Her Majesty a sum not exceeding \$3,641,600 for Finance—pass.

Resolution 56 Federal-Provincial Relations and Research Division (a) Economic and Federal-Provincial Research Branch (1) Salaries—pass; (a)(2) Other Expenditures—pass; (a)—pass; Resolution 56(b) Manitoba Tax Credit Office (1) Salaries—pass? The Honourable Member for St. James.

**MR. MINAKER:** Mr. Chairman, during the Budget Debate, I raised the question about whether the department had had any request from people or citizens who were residing in rented homes, and the discrepancy that could occur between a person renting an apartment where they might have included in their rent value the services such as hydro and the heat versus the person who rents a home and has to pay for the utilities separately because there are areas, and it did happen in my constituency, where if you are in that tax bracket where you could qualify for the maximum rebate of \$350, you could get an instance, and it affects the low income person, I would suggest, where if the person . . . you could have people who are renting apartments at \$170 a month that included the utilities and they would get a 20 percent credit, I guess, on \$2,040 for the year, which would be \$408 in taxes so that they would qualify for the \$350 if their income was such; whereas a similar person with the same type of income could be renting a home for \$120 and, say, have \$50 worth of utility costs such as gas and water, and when you apply the \$120 per month that they can claim, which is \$1,440, and take 20 percent of that, they can only claim \$288 in taxes, so that in actual fact both people who are under, I would say, similar circumstances are falling short by some — what? — \$72 or \$62. I am wondering if the department has had any inquiries with regard to that or are they looking into this to see if they can direct this problem?

**MR. MILLER:** Mr. Chairman, the department informs me that they have had very few inquiries on this and I recognize that what the member is saying could happen. It is arbitrary, there is no question about it. I don't know a tax law which isn't arbitrary one way or another. A lot of that could be corrected or adjusted by the mere fact that there is a minimum and a maximum, and that would certainly resolve some of it, but it may occur in some instances, but it is, in the final analysis, an arbitrary figure. And I am not sure how it could be resolved or how we could even come close to resolving it.

**MR. MINAKER:** I wonder, Mr. Chairman, if something like an arbitrary amount of, say, \$30 a month, was being allowed for utilities such as heat, where we know that in most cases that is what it costs us today, whether electricity or natural gas or furnace oil is used, I am sure it would be over \$30, an allowance of maybe \$400 a year for those people who are renting homes where it is not included might be considered and might be the least expensive in terms of calculations and enforcing or following up by his department, whether that type of a concept could be looked at.

**MR. MILLER:** My department could look at it, but I would think he could make a guess, it would be

very very difficult to introduce. It appears on the Income Tax form, and I don't think that Revenue Canada could differentiate between one kind of accommodation and another, as to whether heat is being supplied as part of the rent, or heat is not being supplied as part of the rent. They certainly wouldn't get into that aspect of it, so that I just don't see how it could be done frankly, because, as you say, in some cases heat is supplied and in other cases it isn't, or hot water or whatever the thing is. It is that kind, Revenue Canada, we have arrangements with Canada whereby it becomes part of the Income Tax form, but it has to be kept very very simple for them to handle.

**MR. MINAKER:** Mr. Chairman, then could an approach be taken where somebody could make application directly to the province, this department, to prove an instance where this does occur, whether some kind of a separate reduction or return could be made to the individuals that are involved in this matter?

**MR. MILLER:** Mr. Chairman, my response to that would be my concern about the administrative costs of handling such a thing. We don't really have an administration remotely resembling the capability of handling that. We simply pay the Federal Government a percentage for collection and that is the end of it.

**MR. MINAKER:** Thank you, that is all I have.

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

**MR. CHERNIACK:** I really don't quite visualize this as a problem. I understand the theoretical problems, but how often is it a practical one in that the maximum is — what? Well, it is going to be \$375.00. So if that is 20 percent then that is a rental of \$1,700 a year. Am I right about roughly? And it seems to me almost everybody is paying that kind of rent, \$1,700 a year?

**MR. MINAKER:** Mr. Chairman, I think you will find that there are homes being rented, and this occurs in the lower income family where it does occur.

**MR. CHERNIACK:** That is the only place it would occur.

**MR. MINAKER:** Where they are \$120 or \$130 a month if you are not paying included in that utilities, so the person has to pay for his heating or that. So it is happening, I know that it has happened in one instance. I don't know how often though, Mr. Chairman.

**MR. CHERNIACK:** I am sure that that probably does happen, the only question I would have in my mind then would be, in a specific instance such as he mentions, what the actual taxes are on that house that is being rented, and I would guess that the actual taxes are sufficiently high to bring it to that \$350, regardless of the calculation, because of the property tax.

**MR. MINAKER:** Mr. Chairman, maybe I am in error, I don't know, but my understanding is if the person is renting you can just use the amount of rent that you are paying, so it would have no bearing on what the tax on that particular house has. It has no bearing on how much the individual pays for his rent. And it is 20 percent of that.

**MR. CHERNIACK:** Yes, that is if the rent is less than \$150 a month then they would not qualify for the maximum.

**MR. MINAKER:** Sir, I think in last year's tax form, Mr. Chairman, to be eligible for the maximum your rental payment would, as I say, total about \$145 a month must be incurred.

**MR. CHERNIACK:** Mr. Chairman, since I did have responsibility for this in the beginning, I have to say that we knew that there would be anomalies and we had to work out a simple system and the simpler you make the system the more likely there is to be an anomaly. I don't think it could be a very damaging one, but you know, it might be a matter that eventually the department may find that it is a serious impact on a number of people, but it is hard to administer something when the administration is by another body.

**MR. CHAIRMAN:** Resolution 56(b)(1)—pass; The Honourable Member for Sturgeon Creek. (b)(2) Other Expenditures. The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Yes, Mr. Chairman, in the Public Accounts of 1976, the Public Accounts Page 110, 1976, under Other Expenditures we have an amount of \$60,199.64 for Advertising and Exhibits, and for Publications \$14,402, that's \$74,602.00. Can the Minister tell me what the advertising was — like this is for 1976 — can he tell me what the budget for advertising is in this Other Expenditure for this year?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. MILLER:** Mr. Chairman, last year, I believe, the figure was an estimate of \$110,000, it wasn't spent because of a restraint exercise. This year it is \$99,000 instead of \$110,000 of last year.

**MR. F. JOHNSTON:** Well, Mr. Chairman, I realize that the people have to know about the rebate system and they have to know secondly, on how to fill it out, etc., but this seems like an awful lot of money for advertising one particular program if it is just an information type of advertising. I am wondering why, is there four or five publications or what?

**MR. MILLER:** Well, I know there is media publications, media advertising advising people of the program, reminding them that the time has come for them to apply for it by filling out their tax forms. As well there is the brochure that is distributed so that people do, in fact, know what to do and how to fill out their forms, and are encouraged to fill out their forms, otherwise they will not benefit. If we

didn't have a fairly good media advertising, I think, we could be criticized for introducing a program and then being quiet about it so that people wouldn't take advantage of it, and therefore, save the province money. I recall when the matter was first introduced in the Legislature a number of years ago, the suggestion was made that perhaps many people wouldn't get their money because they wouldn't know enough to fill out their income tax form, particularly if they didn't have much income tax or any income tax to report. I am pleased to say that, in fact as a result of the advertising in the media and the brochures, the fact is that most people are aware of it and are in fact making application to get the benefits of the Tax Credit Program.

**MR. F. JOHNSTON:** MR. Chairman, what did the publication that went out with the city tax bills cost approximately, there is another item there where we advertise. We are getting to the point . . .

**MR. MILLER:** I don't know offhand, but is that the one . . .

**MR. F. JOHNSTON:** I don't think it was in this year's, I think it was in last year's.

**MR. MILLER:** It was an insert into a tax bill.

**MR. F. JOHNSTON:** Yes.

**MR. MILLER:** So, it would simply be the printing of the insert.

**MR. F. JOHNSTON:** Yes, that's all.

**MR. MILLER:** I don't know what the actual printing of that particular insert might have been, but it couldn't be very much because it was just a straight printing job. The mailing, I suppose, was done with the tax bill.

**MR. F. JOHNSTON:** The Minister doesn't feel at all that the government is just over-advertising this little program to an extent that may be beneficial to the government and it's getting pretty high. I might say I don't give a damn what Ontario does. I say we're spending \$99,000 on advertising one program and I think the people have to know, as I admit, but I think it's just maybe getting a little suspicious here as to how much advertising we're going to do on this.

**MR. MILLER:** Mr. Chairman, looking at this ad, it makes my mouth water, literally. I think we're missing a bet here. I think the Ontario people are way ahead of us. They've got much better ads than we have.

**MR. F. JOHNSTON:** If I had the occasion to tell the Minister in Ontario the same thing, Mr. Chairman, I would. I think it's getting a little bit much.

**MR. MILLER:** Mr. Chairman, you know, when you're dealing with a program where we pay out \$120 million I believe, \$99,000 with all due respect is not a large amount of money to make the public aware of what is due to them.

**MR. F. JOHNSTON:** No, I just would finish because I don't think the Minister and I are going to completely agree on this so we'll probably leave it there.

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

**MR. CHERNIACK:** Mr. Chairman, it is \$120 million the people are entitled to claim. Now, the majority of them, I assume, are taxpayers who would be filling out a tax return anyway. But there are tens of thousands of people who do not have to fill out a tax return unless it is to claim this and I think they are entitled and they, more than others, are entitled to know the benefits they can get by filling out a tax return. That is why we have the WAT line and we have the people available to help them fill out the returns. This is a tremendous — it is of course a program of which we are proud as a government, but once you have the program, I think it is essential that people be made aware of it and of their rights. I keep this in my desk from Ontario because to me this is a very blatant, aside from being a expensive full-page advertisement in the Toronto Star, it's blatant. It has the name of the Premier, it has the name of the Minister of Revenue of Ontario and it has pictures. It has a picture of Mrs. Gloria Prentice, secretary, supporting two children. Her Ontario Tax Credit is approximately \$158.00. There are five different people, by name and occupation, with amounts. And the reason I make the point — and by the way, the heading is, "Get your fair share of Ontario's new tax credits. Two out of three people who filed income tax returns will share in the \$300 million tax credits." Then there's the story.

I keep that because I challenge the Member for Sturgeon Creek to look through our material and find that it is a politically self-laudatory advertisement to the extent that this is. Now there's no doubt about it. It's a government program; we do take credit for it; we do advertise it. But I do believe that there has been care taken that it shouldn't be, in the nature of it, something that advertises the New Democratic Party, and to the extent that you see this as being done in Ontario, I agree the Member for Sturgeon Creek is not responsible for what Ontario does but at least by way of a comparison, I think that we have nothing, nothing whatsoever to apologize for the fact that we feel it important to advertise a program so people can take the benefit to which they are entitled and that it is not a blatant use of the announcement. I have to compare it — I simply must, and I don't have it in front of me but I'm pretty sure that I can quote it, refer to Duff Roblin's \$50.00 Property Tax Credit where the cheque went out from the Provincial Government together with a card saying, "This is your rebate given by the government. Signed Duff Roblin." Now, this cheque that goes out is a Federal cheque. It is a good program and it's been adopted by others and I think that \$100,000 to publicize the entitlement for

\$120 million is not a large amount.

**MR. CHAIRMAN:** The Honourable Member for St. James.

**MR. MINAKER:** I wonder, Mr. Chairman, if the Honourable Member for St. Johns would read the date on that paper that he was reading from and advise the Committee.

**MR. CHERNIACK:** January 19, 1974. It's probably more money now.

**MR. MINAKER:** Mr. Chairman, the reason I raise the question, it says, I think very clearly on it, "Your new tax credit plan." I can understand advertisements like that in initiating it.

**MR. CHERNIACK:** You want me to update it, I'll write to . . .

**MR. MINAKER:** All I'm suggesting, Mr. Chairman, is that the date is there and I think the honourable member has used it three or four times, well, two or three times since I have been in the Legislature here.

I wonder, Mr. Chairman, if the Honourable Minister could advise, does the \$99,000 for advertising cover any and all advertising for this program, any indirect or direct cost? Does it cover all of them?

**MR. MILLER:** There's the media advertising of \$99,000; there's publications of \$34,000 — that would be the insert you are talking about — or the publications . . .

**MR. MINAKER:** So it's \$99,000 and \$34,000, so it's \$123,000 and that covers all advertising or information related to this year's program?

**MR. MILLER:** So I gather.

**MR. MINAKER:** I wonder if the Honourable Minister could advise, in the public accounts under that department, there were other fees of \$452,880 in last year's accounts. Can the Minister advise what the amount is for this year of Other Fees? Is that what you paid the Federal people for collecting?

**MR. MILLER:** That's the amount paid to the Federal government.

**MR. MINAKER:** What is that anticipated to be this year?

**MR. MILLER:** I believe it's one percent, so whatever the amount that they handle, they eventually charge.

**MR. MINAKER:** You don't have a figure for that?

**MR. MILLER:** No, if it's \$120 million, if that's the amount it's going to be — although it will be less than that because there are the advances to the municipalities which are not included. So it's approximately \$750,000.00.

**MR. MINAKER:** So that's a cost incurred to give it back.

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

**MR. CHERNIACK:** I just wanted to say, Mr. Chairman, just for the benefit of the Member for St. James, that that advertisement which appeared in 1974 is an advertisement of the Tax Credit Program which was passed in 1972. I'm guessing that the words, "New tax credits," applies to the new amounts but that could be checked. In any event, I will try for him and for my edification to get a copy of whatever is being advertised in this 1977 season in Ontario. —(Interjection)— Well, the member was interested so I'll try to get it for him.

**MR. CHAIRMAN:** Resolution 56(b)(2). The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Other Expenditures — the accounts, as you know, that we have are up to 1976. We're \$584,892 and we're looking at \$341,000 for this time — is there some money somewhere else?

**MR. MILLER:** It's because we don't pay the Federal government, they just deduct the amount so it isn't an amount that's paid to us. They don't trust us, to send us the money and then mail them back a cheque. They deduct it off the top.

**MR. F. JOHNSTON:** I know, but, Mr. Chairman, that's got to be a cost to the Province of Manitoba. Where does it show up somewhere?

**MR. MILLER:** It shows up — you just read it as a matter of fact. Obviously it's there.

**MR. F. JOHNSTON:** Yes, it shows up here in 1976 but it doesn't . . .

**MR. MILLER:** It will show up in the revenue every year, it has to. It's got to be in the Revenue Estimates.

**MR. F. JOHNSTON:** Okay, fine.

**MR. CHAIRMAN:** Resolution 56(b)(2)—pass; (b)—pass. Resolution 56: Resolved that there be granted to Her Majesty a sum not exceeding \$719,900 for Finance—pass. Resolution 57 Insurance Branch (a) Salaries—pass; 57(b) Other Expenditures—pass; Resolution 57 - Resolved that there be granted to Her Majesty a sum not exceeding \$69,900 for Finance—pass.

I would refer honourable members now back to Page 23, Resolution 52(a) Minister's Compensation.—pass; Resolution 52 - Resolved that there be granted to Her Majesty a sum not exceeding \$352,200 for Finance. — pass.

That concludes the consideration of the Department of Finance. Committee rise and report. Committee rise.

## ESTIMATES — ATTORNEY-GENERAL

**MR. CHAIRMAN, Mr. William Jenkins (Logan):** I refer honourable members to Page 10 of their Estimate Book, Resolution 20 General Administration. (a) Minister's Compensation, Salary and Representation Allowance \$15,600.00. The Honourable Attorney-General.

**HONOURABLE HOWARD PAWLEY (Selkirk):** Mr. Chairman, in dealing with my Estimates, I would like to deal with a number of areas that will be of interest to honourable members of the House under different headings and I will deal with them in no particularly organized way but will deal with them as they appear before me.

First, I would like to mention or up-date members of the House in connection with the Unified Family Court project which, of course, is very pertinent in view of the legislation presently before the House pertaining to marital property and Marital Family Act. Members will note that in examining the Court of Queen's Bench Estimates for the current year under Other Expenditures, the greater portion of the increase, over \$282,000, is the anticipated total cost of the St. Boniface Unified Family Court project. It should be pointed out that this additional \$282,000 is the anticipated cost of the project for nine months of the year 1977-1978 since the project is expected to become operational some time after July 1st, 1977. I would also like to mention here, of course, that the project is cost-shared with Canada to the extent of 50 percent. Preparation for introduction of the project is proceeding and with all persons concerned including those that are involved at the federal level finalizing details and it is my understanding that the project hopefully should be in operation by September 1st in St. Boniface on Tache Street.

Members will recall that there has been considerable negotiation with Ottawa pertaining to cost-sharing in regard to the RCMP. Negotiations had carried on for quite a lengthy period of time. Finally those negotiations have been finalized and members will note that the cost of law enforcement for the year 1976-77 as shown in the Estimate Book is \$8,257,000 while the amount requested for the year 1977-78 is \$10,878,000 showing an increase of some \$2.6 million or approximately 22 percent for the year 1977-1978. This is the major area of increase insofar as our Estimates are concerned.

I would like to just point out that insofar as the \$8 million are concerned in the 1976-77 figure, that those moneys were payments to Canada under the Federal-Provincial Policing Agreement. The remaining \$257,500 was for financial assistance to certain small municipalities, ground search and rescue, other small items relating to law enforcement. Since at the time of the preparation of the 1976-1977 Budget, the Province and the Federal Government were still involved in negotiating a new agreement, it was impossible to forecast the policing costs for the year 1976-1977. A nominal figure was therefore used, that figure being \$8 million, with the full knowledge that it would probably be necessary to ask for additional funds by way of Special Warrant once the terms of the new policing Policing Agreement were made known. As expected, when the financial terms of the new agreement had been determined, it was found necessary to raise by way of Special Warrant an additional \$1,048,500 to pay for police services in the year 1976-77. It will be seen from the above that the actual increase in law enforcement appropriation for 1977-1978 over 1976-77 is approximately 16 percent.

With regard to the negotiations leading up to the eventual signing of a new Policing Agreement between Manitoba and Canada, it might be pointed out that these negotiations have lasted for over two years. As members will know, there are eight provinces in Canada who have contracts with the Federal Government for RCMP services and during the whole course of negotiations, all eight contract provinces maintained a united front in negotiating with the Federal Government in their efforts to gradually ease from financial assistance. As a result, although the negotiations took place over a very long period of time, in the end the provinces were able to gain many valuable concessions from the Federal Government both financially and with respect to law enforcement administration within each province, which otherwise might not have been possible.

For example, the first agreement offered by Canada to the provinces would have required the provinces to pay 60 percent of the cost of provincial police services for each year of the proposed agreement. Further, the provinces were required to pay to Canada 15 percent of the gross salary of members in the provinces for pension purposes. Through the process of hard negotiations, the final agreement provides that the province pay Canada 52 percent of the cost of police services in the first year of a five year agreement. This percentage escalates by one percentage point through the remaining four years of the agreement. With respect to contributions for pensions, this was reduced from 15 to 12 percent of gross salaries. These two changes alone saved the province many millions of dollars over the term of the agreement.

There are other concessions made of Canada of a financial nature which were also substantial such as contributions to the central or the main office of the RCMP in Ottawa which has received contributions from the provinces in previous years and that's no longer the case under the new agreement.

In terms of administration of law enforcement in Manitoba, the new agreement requires Canada to provide on a continuing basis to the province such pertinent information which will assist the province in making decisions as to the deployment of manpower throughout the province, increase in establishments and other important matters. The Department of the Attorney-General and the

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RCMP in Manitoba have already set up a joint working committee of administrative and financial personnel who will meet on a regular basis to discuss and to resolve problems of administration and finance as they arise. We feel that the present agreement that we have is a good one and that the eventual outcome of the negotiations did bring about with some exception a reasonably fair agreement.

I would also like to report in connection with the 3B Program and members will recall that this is a program intended to integrate into the RCMP those of native ancestry to police areas, particularly northern Manitoba, being recruited by the RCMP, trained by the RCMP, working under the supervision of the RCMP. As a result of an agreement between the Federal Solicitor-General's Department, the Federal Department of Indian Affairs and our own department, a new policing program will be introduced very shortly in selected native communities in Manitoba. This program, as I mentioned, is referred to as 3B policing, provides for native policemen, both Indian and Metis, to serve as members of the RCMP detachments which have substantial numbers of native persons residing in the detachment areas, both on reserves and in nearby native communities. These native officers receive their training in Regina and their course extends over some nine weeks and it is of a concentrated training nature. In this, the first year the program, a total of ten 3B constables will be posted to detachments in Manitoba. The first five of these constables are just finishing their training in Regina now while the second five will be commencing their training in April and the cost of this program is shared equally between Canada and the province.

I would like to mention another policing program which honourable members probably have read references to and that is the Dakota-Ojibway Tribal Council Policing concept, a pilot policing project which takes in many of the communities in southwestern Manitoba, native communities. The Dakota-Ojibway Tribal Council is made up of a number of Indian reserves and they banded together for administrative and other purposes in the interest of better service to the residents of their member reserves.

Several years ago, the Council drew up a policing program which envisioned law enforcement on the member reserves by Indian constables who would come under the supervision of a Chief Constable answerable to a Police Commission comprised of representatives of the Department of the Attorney-General, Manitoba Police Commission, RCMP, Federal Department of Indian Affairs, and the Chiefs of member reserves. The proposal provides for a three-year pilot project with the understanding that at the end of that time an assessment is to be made and a decision reached on whether or not it should become an ongoing program or not.

Some of the motivating factors and objectives include a desire to have Indians policed by Indians, to develop a meaningful crime prevention program on reserves, and to develop an Indian regional police force which, when fully trained and mobile, could move from one reserve to the other as the protection role changes or as crime prevention needs should occur. Emphasis would be given a before the fact rather than an after the fact law enforcement attitude on the theory that some of the costs incurred by incarceration of Indian people would be abolished.

On January 4th, 1977, the Honourable the Premier or First Minister committed the Province of Manitoba to a grant of 40 percent of the annual non-capital costs of the Dakotajibway URAINING Project and of the non-capital costs of the policing, not to exceed \$80,000 for each year of the three-year pilot project. This was fitted into a revised budget totalling \$246,000 on February 4th, 1977, and plans are under way to have nine constables under this program and one chief constable trained by the RCMP in Regina. The Federal Department of Indian Affairs and the Solicitor-General will share in the cost of the first year of the operation to the extent of 314,000 and \$25,000 approximately and respectively. RCMP policing will not be usurped by this concept but this policing concept will provide assistance in a number of forms, including investigative procedures in the more serious cases. A system designed to monitor the effect and benefits of the program is presently being devised and annual, if not more often, assessments will be made during the three-year period of the project.

I'd also like to make reference to a mobile van project. The Manitoba Police Commission recently entered into a cost-sharing agreement with the Federal Ministry of the Solicitor-General to provide financing for a mobile van project. The focal point of the project, which is due to become operational in the early spring, is a van specially equipped with audio-visual aids and other educational materials. The van will be piloted by a project co-ordinator to various communities throughout Manitoba. It will be used for disseminating information on criminal justice and on crime prevention, promoting dialogue and co-operation between the public and representatives of the criminal justice system, and encouraging local participation in the criminal justice system. KHE PROJECT IS CURRENTLY COMMITTED TO THREE YEARS OF OPERATION AND WILL NOT ONLY BE SUBJECT TO CONTINUOUS SHORT-TERM EVALUATION BUT WILL ALSO BE ASSESSED AT THE END OF EACH YEAR.

The Manitoba Police Commission recognizes that it is the dynamic nature of the community itself which has the potential to become instrumental in encouraging and promoting community

awareness, education and initiative related to the issues surrounding local problems of crime, delinquency, and anti-social behaviour. The community should be only a client of the total justice system but also an equal partner sharing the responsibilities of planning and implementing community-based innovative prevention programs designed to meet local needs in conjunction with the professional justice system personnel. I would like also to mention to members another problem which has been of some longstanding with us and which has in previous Estimates review been referred to by the Honourable Member for Birtle-Russell particularly, and that is delays in the Court, especially in the City of Winnipeg, backlogs which have persistently occurred. And I want to acknowledge that there has been a problem here. In fact, I guess it would not be an overstatement to say that in the past three-four years the backlog has increased from approximately four months to six months, generally from the date of the taking of the plea to the holding of the trial. So there has been an increase in the delay. And we are in the process presently of developing a system which will go into operation shortly and for which we have received approval to, in fact, obtain one extra counsel to assume responsibility for the project, to attempt to eliminate some of the unnecessary time consumed, which time doesn't really contribute to the serving of justice.

The program is that there would be pre-trial hearings prior to trial, prior to preliminary, in which Crown and Defence Counsel would appear together before a Judge, provincial Judge and they would meet at an early date to discuss the case before them and to join issue. Since delays usually work to the advantage of an accused person without serving any interest of justice presently thus even responsible defence counsel are usually hesitant about initiating early negotiations with the Crown in helpless cases.

It is proposed, therefore, that the present system be accelerated by the intervention of the court where necessary and that counsel who are still not prepared to assist in properly utilizing courtroom time be not granted extensive accommodation beyond a reasonable point. Now the pre-trial court would attempt to ascertain what facts, what items are really at issue. Too often, through the process of court, witnesses are called to establish facts such as identity and other basic ingredients in the charge before the court that really need not be established if the parties met and agreed or consented to the entry of certain facts into the court record.

So it is hoped that by having the pre-trial process that certain facts will be agreed to and that there will be some reduction in the number of witnesses that will be required to appear before the court. For instance, if a car is stolen it may be that there is no issue as to the theft of the vehicle itself. It may be that the only question that will be before the court, or will be in dispute before the court, is the identity of the accused so that through the pre-trial procedure the issues would be narrowed down to the fact that only the matter before the court would be the identity of the accused and the question of the identity of the car, whether there was an actual theft or not would be removed from the issue thus saving valuable time and costs to the court process.

Also, of course, the pre-trial court may very well provide an alternative to unnecessary preliminaries. Preliminaries that can drag out often a day or two days, consume a great deal of time and they can also sometimes be eliminated by a pre-trial court.

Also, of course, it may be, as another example, that the only matter that would be in dispute, Crown and defence, is the admissibility of a statement, a statement freely given by the accused, admitting to his or her guilt. If that statement is admitted in the court, then it is possible that the defence would very readily enter a guilty plea so that court time could be reduced by defining that, and there would be a finding as to whether or not that statement is admissible in court. If so, then the court process itself might not deal with all the other issues that really are not central to the concern of the defence.

I mentioned the waiving of the preliminary which can also take place. These are some of the areas that we hope, through the pre-trial court, to be successful in reducing time and cost consumed in court matters. I should mention to honourable members that a trial project by Judge Swaby(?) in Ottawa dealing with the pre-trial court seems to be working along these same lines, and that project has been carefully monitored by our department, and other jurisdictions both in Ontario and Vancouver have as well been experimenting with ways and means of developing through a pre-trial hearing, ways of reducing time consumed in court.

I would like also to update members in connection with the prosecutions under the Churchill Forest Industry matter. As honourable members know, this has been a long difficult process. Efforts to extradite Doctor Kasser have not been successful to this point. Agreement has been arrived at though, by which the federal authorities in Austria have agreed at their expense to prosecute Doctor Kasser in Austria; and also I might mention that in the prosecution of Kasser they have agreed to pay even the cost of translation' some 11,500 pages of depositions of witnesses and exhibits. So it's quite a massive undertaking, but the Austrian Government has agreed to bear that expense, and to proceed with prosecution. Of course we would sooner extradite him; we would sooner that trial take place in Manitoba — we still feel that's where it should take place. We are pleased at least that some progress is being made in this regard and there will be prosecution launched in Austria involving

Doctor Kasser. I should mention that there will of course be some expense to Manitoba, and that would involve the transporting of any witnesses to Austria to give evidence in Austria at any trial. That would be our expense, but actual expenses — courts, lawyers, the prosecution, the translation, court reporting, etc. would be the responsibility of the Austrian authorities. And as I say, I want to just comment that one of. . . —(Interjection)—

**MR. GRAHAM:** Would the Minister permit at question on that?

**MR. PAWLEY:** Yes.

**MR. CHAIRMAN:** The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Would the Minister indicate whether or not there is any effort or attempt being made to coincide the trial date in Austria with the election date here in Manitoba.

**MR. PAWLEY:** In answer to the Honourable Member for Birtle-Russell, the government in Austria is a socialist government but I'm afraid, in answering the honourable member, that our fraternity in Manitoba is not so close as to influence the socialist government of Chancellor PRETSKI, (?) I believe it is, to arrange their trial dates to accommodate us in Manitoba. We might even have to wait until 1978 to do that too because I think they've got a massive job, let me tell the Honourable Member for Birtle-Russell, in all the translating that is going to be required. I would be very glad otherwise if we could accommodate members of the House accordingly.

**MR. GRAHAM:** If that were to take place, would the province then have to get alternate legal counsel?

**MR. PAWLEY:** No, I'm afraid I don't catch the meaning of the honourable member's question. The firm of Gallagher and McGregor are the legal counsel for the province. Dr. Steidl represents us in Austria so there would be no need for alternative legal counsel. The honourable member may be thinking of the civil proceedings where another well-known lawyer is engaged. But in the criminal proceedings, I am not aware that Messrs. Gallagher or McGregor are involved in the forthcoming political campaign.

I want to just say that one of the greatest disappointments I have is the fact that our extradition treaties are so weak and so defective. I think we like to feel that laws that exist, the criminal justice system applies equally to rich and powerful and to the weak and the poor alike. But that is not so in practice and nowhere is it better demonstrated than this whole field of extradition treaties. The most disillusioning aspect has been the problems that we have encountered in attempting to extradite Dr. Kasser to Canada, even though the Austrian Treaty is considered to be one of the best treaties that Canada has. If it's one of the best, then I sure as heck would hate to see one of the worst because it's seemingly so very very difficult to extradite, so that these treaties that presently exist do seem to be very weak and very powerless to really accomplish the ends of justice.

We're not the only province that suffers such. In Newfoundland, the government of Premier Moores has been trying for the last two to three years to bring back a former Deputy Minister, a man by the name of Vardy from Florida without much success, to deal with certain questions that arose during the Smallwood government.

At the last meeting of the Conference of Attorneys-General, we had quite a discussion in connection with the Federal role in extradition of offenders from foreign countries. There was unanimous agreement by Attorneys-General that there was a serious problem in connection with extradition treaties, and although we do recognize that the Federal Government in the case of Kasser, has given us a great deal of co-operation, the fact still remains that there are too many difficulties, too many unnecessary problems involved as a result of the existing treaties pertaining to the extradition of alleged criminals from other countries to Canada. We expressed our displeasure at this. The same has been communicated to the Federal Minister of Justice, who no doubt is taking that matter up with his counterpart, the Minister of External Affairs. But the present situation certainly is not good.

I might mention that the Austrian and the Belgium Treaties are among the best. There are a lot of countries where we have no arrangement whatsoever. I need only mention countries like Algeria and many of the Latin-American and African countries, Middle-East Countries — there is no arrangement, so that if one is powerful enough and has enough wealth, they can escape a trial under the Criminal Justice System.

I would dislike, Mr. Chairman, going on and on, because there must be many different matters that members would like to address themselves to, and probably I could attempt to deal with different questions. So I think at this point this is all that I would have to offer.

**MR. CHAIRMAN:** We will now proceed to the next section of Resolution 20(b) Planning and Management (1) Salaries \$277,400.00. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Thank you, Mr. Chairman. When we are dealing with planning and management, I think the Attorney-General has been very specific and has shown every indication to give us a clear and comprehensive review of the operation of his department for the coming year as well as an explanation of the operation of the past year. I want to indicate to him that it is the intention of our particular party here anyway to use some planning and management in the examination of the

Attorney-general's Estimates.

In the past, I think for several years, the Attorney-General's Estimates have had a rather exhaustive and complete examination. This year, in an effort to expedite the affairs of the House — I understand the Minister of Mines is bringing in a speedup motion tomorrow — and in an effort to get a fairly good review of certain areas of the Attorney-General's Estimates, it would be our intention to examine some areas fairly closely ; even though we may just pass them, it doesn't mean that we haven't got concern in that area. But in an effort to expedite the affairs of the House we have made an attempt to do that.

**MR. CHAIRMAN:** Resolution 20(b)(1) Salaries \$277,400—pass. (2) Other Expenditures \$24,100.00. The Honourable Member for Assiniboia.

**MR. PATRICK:** Mr. Chairman, under Planning and Management, can the Attorney-General give some indication if there are any changes taking place as far as the Juvenile Crime Section is concerned in respect to rehabilitation? In that I mean, is there any other form of family services that will take place to help proper juvenile rehabilitation or is there any planning in this area or not at the present time? Can the Minister indicate what is taking place.

**MR. PAWLEY:** Mr. Chairman, I would just point out to the honourable member that Juvenile Corrections falls under my colleague, the Honourable Minister of Corrections, so it really doesn't fall within this area.

**MR. CHAIRMAN:** Resolution 20(b) Other Expenditures \$24,100—pass; 20(c) Administration Services (1) Salaries \$192,300—pass; Other Expenditures \$62,300—pass. Resolution 21 Legal Services (a) Civil Litigation (1) Salaries \$521,700.00. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, dealing in the field of Civil Litigation, I understand that much of the litigation carried on by the Crown is done with staff of the Crown, but there are times when the province requires additional services and in some cases those additional services act on behalf of Crown corporations. Now, do the costs of those litigations appear as an expense of those various Crown corporations rather than appear in the annual public accounts record as being employees or recipients of provincial funds in that respect?

**MR. PAWLEY:** Mr. Chairman, I know that it's paid for by the government. I think the honourable member is referring to the Churchill Forest Industry Civil Litigation. It's paid by the Manitoba Development Corporation with us in turn through the government reimbursing the MDC.

**MR. GRAHAM:** Then the cost of the civil litigation would appear as an expense of MDC and would not appear in the public accounts as such? Is that correct?

**MR. PAWLEY:** If we're referring to MDC and Churchill Forest Industry legal billings, none of it would be paid from our department. If it's in public accounts then it's paid from another department but not from our department. If we're dealing with the criminal matters pertaining to Churchill Forest Industries, yes, we pay for that and the moneys would be paid out of our department and would be shown in the public accounts in our Estimates. But not insofar as the civil matters are concerned; they are paid from another government department.

**MR. CHAIRMAN:** The Honourable Minister of Mines and Natural Resources.

**MR. GREEN:** Mr. Chairman, I don't know whether I'm going to be very helpful. Any account other than CFI accounts, when the MDC hires counsel, they pay their counsel and it appears in the MDC administration. With regard to CFI, that is no longer a part of the MDC. The entire account has been taken out and yet all of the proceedings are still in the name of the Manitoba Development Corporation because that's the way the proceedings have started and the Manitoba Development Corporation is the entity. But just as all of the debt and the liabilities have been taken out of their statement, it's my impression that the government or perhaps the Churchill Forest Industries Complex is responsible for those legal fees. But they would be paid, reimbursed to the MDC by some branch of government. I'm not sure at this point which one it is. I'm fairly certain that they are reimbursed. It may be the CFI complex that makes the reimbursement or maybe it's held as a receivable on the MDC books, but in any event the MDC recovers that because it is not part of their activity.

**MR. GRAHAM:** Well, Mr. Chairman, the reason I asked the question, I was just wondering it is proper at this time, through the Department of the Attorney-General, to ask the costs of legal counsel acting on behalf of MDC in the civil litigation on mechanic liens, or should that question be asked when we come to the activities of the MDC under the House Leader's department?

**MR. PAWLEY:** The Honourable Minister of Mines and Natural Resources, sitting beside me, has indicated that he can get that because his Estimates are still to be produced in the House. They could be obtained from MDC and that information given at that time.

**MR. CHAIRMAN:** Resolution 21(a)(1) \$521,700.00. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, again, and this is just for matter of clarification, when we are dealing with the Unified Family Court, in that operation of the Unified Family Court, should there be any matters of civil litigation there — would that appear under the cost of the Unified Family Court or would it come under this appropriation here?

**MR. PAWLEY:** Mr. Chairman, if it involves property division which would be civil litigation, it would certainly fall within the ambit of the Unified Family Court, then that would fall under its Crown basis; or of course, insofar as any of the other matters, divorce, any civil proceedings, then it would certainly be a cost. The project is operating to deal with those matters, but it is dealing with all matters in one Unified Family Court, as the honourable member knows, including civil matters pertaining to property disputes between the husband and wife.

**MR. CHAIRMAN:** The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** I would like to ask the Attorney-General if there will be any transfer of members from the Civil Litigation Branch of his department, transferred from there to the Unified Family Court, or will there be a brand new hierarchy set up when that becomes operational?

**MR. PAWLEY:** No, Mr. Chairman, we would be only responsible insofar as the costs of administration, because these are private disputes, spouses against spouses. They would each be represented by their own private counsel. We would not be providing any counsel from our department.

**MR. CHAIRMAN:** Resolution 21(a)(1) \$521,700—pass; (a)(2) Other Expenditures \$45,800—pass; (b) Criminal Prosecution (1) Salaries \$1,073,700. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, under the Criminal Prosecution Branch, can the Minister indicate how many new Crown attorneys were hired in the past year who were first-year graduates from law school?

**MR. PAWLEY:** Mr. Chairman, there were seven. I understand they replaced those that had left the department, but there were seven that would have been replaced from the previous year's graduating law class. We generally hire six students each year, six to eight students. We attempt, as vacancies occur, to replace those vacancies with the students if they have worked out well within the department.

**MR. GRAHAM:** Can the Minister indicate how many of those seven have had their contracts renewed this coming year?

**MR. PAWLEY:** Mr. Chairman, they are civil servants with security of tenure. They are not under a contract basis. When they are articling, of course, they are under contract basis, but as soon as they are appointed as solicitors within the department, they become regular civil servants with the security of tenure.

**MR. GRAHAM:** Mr. Chairman, that security of tenure starts immediately, does it? Or is there a probation period?

**MR. PAWLEY:** Six months' probation.

**MR. GRAHAM:** And those students are all now full-time civil servants working as Crown prosecutors?

**MR. PAWLEY:** Yes. Those that came in last July are full-time civil servants now.

**MR. CHAIRMAN:** Resolution 21(b)(1) Salaries \$1,073,700—pass?

**MR. GRAHAM:** Mr. Chairman, before we leave that again, is the department now fully staffed? I understand about this time last year you were fairly short on staff.

**MR. PAWLEY:** Mr. Chairman, we are full staff, with the exception of one that will be recruited at the end of June on the Civil Litigation side of the department.

**MR. CHAIRMAN:** 21(b)(1) Salaries \$1,073,700—pass; (2) Other Expenditures \$402,800—pass; Resolution 21, Resolved that there be granted to Her Majesty a sum not exceeding \$2,044,000 for Attorney-General—pass.

Resolution 22 Boards and Commissions (a) Manitoba Law Reform Commission (1) Salaries \$83,400. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, under the Manitoba Law Reform Commission, I believe the chairman's terms of office is up this coming year, and I wondering if the Attorney-General can tell us if the chairman has been reappointed or a new chairman appointed, or if that decision has been made as yet.

**MR. PAWLEY:** No, Mr. Chairman, the chairman has not been reappointed because the term does not expire until September.

**MR. GRAHAM:** At the same time, Mr. Chairman, I think it is customary to give some indication in reasonably advanced time to a person in that category, whether or not there is an indication of his contract has a good degree of probability of being reinstated or else terminated. We understand that a person in that position is usually a person who is in fairly high demand in the circles in which he travels, and I think it would only be fair to say that he could. I can assure the Minister of Mines and Natural Resources that his application would receive the same treatment as anyone else's.

**MR. PAWLEY:** Mr. Chairman, all that I can say in answer to the Honourable Member for Birtle-Russell, I have had some discussions with the chairman of the Law Reform Commission. I have no reason not to have confidence in his work. He certainly has had a very full plate. Also I must say that I have not taken the matter of the appointment to my Cabinet colleagues as of yet, I have had only personal discussions with the chairman and to date I have been relatively satisfied with his work as

chairman of the Law Reform Commission.

**MR. CHAIRMAN:** The Honourable Member for Assiniboia.

**MR. PATRICK:** Mr. Chairman, can the Attorney-General indicate if the Law Reform Commission has completed its study in respect to the election reform in the province of provincial legislation, or is it still working on that legislation? Will there be any legislation before the House this session in respect to this, because the first report we had was to put in comprehensive changes in the election machinery and procedures? Can the Minister indicate, has that been completed? Will we have any legislation in the House this session?

**MR. PAWLEY:** Mr. Chairman, there will be amendments to the The Election Act in the House this session, but they will be amendments that really do not relate to the recommendations of the Law Reform Commission. The honourable member recognizes the fact that the reports that have been provided to us by the Law Reform Commission pertaining to election change are of a tentative nature. They are reports in which the requested submissions from the public on; I believe that some submissions have been made to the Law Reform Commission pertaining to their tentative reports. They have not finalized those reports, so we have no final reports. So I would say to the honourable member their work is not complete, and legislation that would be processed this session would not relate to the work of the Law Reform Commission itself.

**MR. PATRICK:** Aside from The Election Act and the family law legislation that the commission did a considerable amount of work on in the last couple of years, can the Minister indicate what other major legislation areas the commission is concerned with at the present time?

**MR. PAWLEY:** Mr. Chairman, they have been involved in the following matters — it is listed in the report, but I will read out the matters which they have been involved in, and which they have submitted reports on: enforcement of custody orders; report on The Highway Traffic Act, which was a very extensive report; the administration of justice in Manitoba; consolidation of extraprovincial judgment enforcement; some aspects of fire insurance legislation in Manitoba; under family law of course the two areas, property disposition and support obligation; the limitations of action for the taking away of the conversion or the detention of chattels; and then the case for a provincial bill of rights with a report provided; and revision of birth certificates of transsexual persons; projects under study are again The Elections Act referred to earlier; entry, search and seizure provisions of tax statutes; The Mental Health Act; administrative procedures; The Trustee Act; mechanics' liens; family law; Unconscionable Transactions Relief Act; *habeat emptor* alternatives to imprisonment for non-payment of fines; exemption clauses; occupiers' liability; the administration of justice of one trial court concept; northern justice; the question of contempt of court; county courts' small claims procedures; freedom of information; limitation of actions; penalties under The Liquor Control Act; minorities' shareholder rights; the rules against perpetuities and accumulations; simplification of conveyancing forms. About half those items that I read were as a result of referrals from myself as Attorney-General.

**MR. PATRICK:** Mr. Chairman, can the Attorney-General indicate if the commission has looked at such things as, perhaps, offenders with less than two years of sentences, and particularly in northern Manitoba where there is no program for

rehabilitation? This is what I had wanted to bring up under planning and management, which I didn't. Has the commission concerned itself with things like that? Perhaps the conditions of the jail in northern Manitoba, at The Pas specifically — has the Attorney-General had any kind of report from the commission, or are they doing any work in that area, which in my opinion is very important — specifically provincial jails and rehabilitation programs?

**MR. PAWLEY:** Mr. Chairman, not specifically, because in dealing with provincial jails, that would be more a matter for a commission of inquiry as to jail conditions. Their interests are of a legal nature. There are items that certainly involves them in the area of concern by the Honourable Member for Assiniboia. One would be that dealing with alternatives to imprisonment for non-payment of fines, because that is probably the single biggest problem insofar as many of our northern residents are concerned; and as to alternatives to sentencing, to fines, they have been involved in that connection. They are also involved in the study of northern justice under the administration of justice at the present time, and that is presently an ongoing study on which we are awaiting their report. So the answer is partly yes, partly no. Are we dealing with conditions of jails? No; but on the other matters, the more general nature of the criminal justice system, yes.

**MR. PATRICK:** I believe the Minister indicated that in lieu of fines, perhaps some of these people can do some kind of work, that that is one of the areas that the commission is involved in at the present time. This was, I believe, the resolution that was presented to the House by the Member for Fort Rouge a couple of years ago. My question to the Minister is: It seems to me that the commission has taken a pretty long time to come up with some of the reports and to do the study that is required. For instance, the resolution, presented to this House is at least three years old . . . on the election reform that was accepted by the government and transferred to the commission, I believe it was in 1973-74. Now we are in 1977 and still haven't got a complete report in respect to election changes, so my

question really is, it seems to be taking an awful long time. I know the Minister is also saying that the rehabilitation process in provincial jails is one of the things that is being considered by the Law Reform Commission. I think that these are such important issues; surely we should have at least interim reports from the commission in respect to sentencing or rehabilitation in our provincial jails, the problem in the whole north, the conditions in the jails as well. And it concerns me, Mr. Chairman, that these are the things that we talked about last year and the year before, and as I mentioned, some of the things that have been given to the Law Reform Commission a few years ago, and we still haven't gotten a complete report.

**MR. PAWLEY:** Mr. Chairman, I think I would have to say in defence of the Law Reform Commission, that one of the reasons why they would not have been able to progress as rapidly as they might like to is the fact that certainly I have imposed a great deal of obligation on them by some of my own demands, particularly that pertaining to family law. Honourable members will recall we gave them this very massive study and they were unable to provide us with that report until we were well into the session last year, so that much of their time has been swallowed up in the family law reform. Also the staff at the Law Reform Commission is quite limited. They have only two full-time lawyers, plus some part-time help which has been provided to them out of the Estimates during the summer period. So the staff made available to the Law Reform Commission under these Estimates is quite limited, as well as the time which has been demanded from them in completing the family law report, as well as the very massive work which was done on their part in connection with The Elections Act on which they have provided us with tentative reports — not final reports, but tentative reports.

Insofar as the question of justice, particularly in native communities, they have been working on it. There is presently work proceeding in that connection. There are some initiatives being taken right now, two insofar as some of our native communities are concerned, in order to provide alternatives to incarceration. I don't know if honourable members would want me to go into detail at this point, but I should make some reference to the Rousseau River Reserve project in which a great deal of effort has been taken to achieve the involvement of the band leaders insofar as providing work projects and other activities for those convicted of offences; those living within the confines of the reserve with a degree of supervision from the band leadership in the Roseau River Reserve. I spoke recently to Judge Kopstein that has been very much involved in the initiation of that project and also in co-ordinating that effort with the Roseau River Reserve leadership just recently and it has been successful. In fact it has been successful in reducing some of the incidence of crime on that reserve and I think that that example is one that we would want to see extended throughout other parts of Manitoba; there are greater efforts now under way via provincial court system to attempt to initiate other projects beyond that of the Roseau River Reserve. Now the report from the Law Reform Commission will certainly be very helpful in this regard.

**MR. GRAHAM:** Mr. Chairman, dealing with the report of the Law Reform Commission and in particular dealing with the Elections Act, I believe there have been two of four interim reports released. If the other two are available would the Minister be able to provide us with the other two?

**MR. PAWLEY:** Mr. Chairman, they're released in the normal way. Now, I'm trying to think, and we may have to confirm this. There are at least two reports but I thought there had been a third report issued by the Law Reform Commission. I've asked my staff to make note of this and to check. I thought that we had received more than two tentative reports. We received the one dealing with finances; The Elections Act itself, and that dealt with theory more than practical substance; and I thought we also — the honourable member saw the very comprehensive report dealing with control of expenses for elections purposes. But I've asked staff to check whether we've received more than the two tentative reports from the Law Reform Commission. If we have then all honourable members would have received them because they've been released in the normal way, not to myself but in the normal way.

**MR. GRAHAM:** There's another question dealing with the report on elections, Mr. Chairman, and that I think is something that is rather fundamental to the debate that we have and the role that the Law Reform Commission plays.

Now we are fully aware that when we established the Law Reform Commission that we did give it a great degree of flexibility and I think the Law Reform Commission has the power and indeed the duty to initiate studies on its own, but it also has a responsibility to deal with subjects that are referred to it from time to time either by the Legislature in whole or the Attorney-General in particular.

I was just wondering if the Attorney-General would care to comment on the terms of reference that were given to the Law Reform Commission with respect to the report on election reform and whether or not the report that was presented by the Law Reform Commission did in fact stay within the terms of reference that were laid out for that particular study.

**MR. PAWLEY:** Mr. Chairman, I would have to obtain that information because the terms of reference were provided by my predecessor to the Law Reform Commission shortly after the 1973

Election.

Three reports have been made available to us: Controverted Elections Act, Election Financing and Alternative Methods of Voting, so three reports have been made available to us from the Law Reform Commission pertaining to elections.

**MR. GRAHAM:** At the same time the Minister said he has referred numerous matters to the Law Reform Commission from time to time. Could the Minister list for us the matters that he has referred to the Law Reform Commission in the past twelve-month period?

**MR. PAWLEY:** Now in the last twelve month period — I'm not sure it's exactly twelve months — Entry Search and Seizure Provisions of Tax Statutes, the Mental Health Act, the Trustee Act, Exemption Clauses, County Court Small Claims Procedures, Limitation of Actions, Penalties Under the Liquor Control Act, Minority Shareholders' Rights — I think that's been recent — and Rules Against Perpetuities and Accumulations — that would be the list.

**MR. GRAHAM:** Mr. Chairman, I believe maybe a start had been made quite some time ago, or maybe I'm just not remembering correctly, but I think I recall that there was some discussion about referring a matter to the Law Reform Commission dealing with a Children's Advocate. Has that matter been discussed or any action taken on that?

**MR. PAWLEY:** Mr. Chairman, that falls basically under the Family Law reference. In fact there is a Children's Aid Advocate that will be present in the Unified Family Court Project being established in St. Boniface.

**MR. GRAHAM:** The reason I raised the issue, Mr. Chairman, is that at the present time we have legislation before us in this Chamber in the Marital Property and the changes in the Family Law, but I think it became very evident during the hearings that were held by the Special Committee of the Legislature, and if memory serves me correctly it was also of some concern of the Law Reform Commission that while we are dealing with laws that affect all aspects of society in the reform that is being proposed on Marital Law, really there has been no one who has the authority to speak for children. Children have a right in society the same as anyone else, and in the discussions on Family Law and the proposals put forward really there has been no one that has the authority to act as an advocate of children's rights. I think it is a matter of some concern and should be a matter of some concern to us all, and I was hoping that we would either refer that matter to the Law Reform Commission for study and recommendation or even without that to establish such an office in the province hopefully before we make very substantial changes in law that do affect children's rights. I have to say that I am sorry that that has not occurred. I think that it may be a very bad mistake that we're making and when we do get to the discussion in the Chamber on the Marital Law, I intend to bring that matter up and raise it further because I would certainly like to have the Law Reform Commission — I'm speaking as an individual now — I would like to hear all the relative arguments both for and against having someone in our society who would have the authority and the concern of children at heart and be able to adequately represent the rights of children when it comes to the point of changes in law that could affect their rights, because we through the age of majority really do not recognize them as being full citizens of the province, and yet we hope that they will potentially be citizens of the province and there's really no one to speak for them.

**MR. PAWLEY:** Mr. Chairman, the fact remains that in principle one must look to the judiciary to provide an overall concern insofar as the rights of the children are concerned in any marital dispute, in any matter of custody before them. Of course the judiciary does have available to it all the support that can be provided through the Family Court, such as counselling services, etc. Now in saying that I want to emphasize that in the Unified Family Court Project we will have a Child Advocate in the person of the Public Trustee's Office that will assume some responsibility pertaining to child advocacy. I'm a little concerned about forming an overall basis through every Court, a particular person that will be charged with the responsibility of being a Child Advocate, because again the principal responsibility of the Court is to look out for the welfare of the children and to utilize all the services that are provided to the Court in order to better assist in that purpose.

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

**MR. AXWORTHY:** Mr. Chairman, I just want to raise I believe one question with the Minister that arises out of his remarks concerning the activities of the Law Reform Commission. It seems to me, Mr. Chairman, perhaps to use an inappropriate euphemism, that the Law Reform Commission has become a kind of "garbage pail" for all the problems that the government doesn't really want to solve right away. There used to be an old definition about Royal Commissions about a place where you could bury all the problems that you didn't want to handle. It seems to me that if you go through the list of things of referrals that have been made, it covers a stretching of the orbit of really what a Law Reform Commission should be doing, and considering the limitation on staff and time that the Minister says is available, that we've been loading up the agenda of the Law Reform Commission with a wide variety of items ranging from mental health to election expenses to family law, to more specific technical questions relating to the workings of the courts and the justice system. And it would seem to me, Mr. Chairman, that there are many items that probably would have been more properly handled within the purview of policy making on the part of government, rather than having them sort

of jobbed off onto the Law Reform Commission, and that we're really expecting the Law Reform Commission to be doing a lot of things that it's neither able to do through resources and staff or perhaps that it should be doing.

I think in particular of the Election Expenses Act which is based on a resolution that I guess I introduced in 1974, was passed by this House, and we're now going into another election sometime without having made any changes whatsoever based upon that.

I don't think there is much excuse for that kind of tardiness. There may be an excuse on the part of the Law Reform Commission because of their other priorities. I don't know if there's much excuse on the part of the government for allowing that kind of lapse of time, particularly when there were so many problems demonstrated in the last election with some very basic machinery of things like enumeration and nothing that would be radical changes. I'm afraid, Mr. Chairman, what has happened in relation to Election Expenses, the Law Reform Commission has spent a lot of time examining what's going on Australia and Tasmania and Afghanistan and other exotic places where they hold elections according to a wide variety of curious formulas. In the meantime we've kind of lost sight of some of the corrections that could have been made in our own Elections Act to bring it up to date to allow for smoother running of elections and to ensure that in the whole problem of ensuring people's rights to vote, when where and how they are making it more convenient, we have ignored those areas which could have been done I think without a great deal of intense investigation on a world-wide basis. I think of a resolution that was of concern to me, which was the idea that preventative sentencing, alternative sentencing — again it didn't take an awful lot of massive research to come up with some initiatives in that area.

So, Mr. Chairman, I really want to make the case to the Minister that I think that maybe he should rethink the position of the Law Reform Commission and realize that it's become too handy a peg to hang a lot of phony problems on which more rightly belong within the purview of government policy making, and that should have been handled from a point of view of a department or Cabinet responsibilities to make decisions and propose legislation of changes in this House; that the Law Reform Commission has become like a Linus Blanket, something that is security; that you really don't have to take much action on as long you've got it to sort of rely upon. I really think it's time that we reviewed the role of the Law Reform Commission in the light of the kind of references that are being made to it and perhaps redefine to some extent the kind of references and the kind of work that we expect it to do.

**MR. PAWLEY:** Well, Mr. Chairman, I would urge the honourable member not to lose his patience because there will be amendments introduced to this Legislature this Session pertaining to the Elections Act, amendments that hopefully would deal with some of the problems that he is concerned about. Insofar as the Law Reform Commission Report is concerned, they have been charged with this since '73 and as I indicated, they have been charged with other matters which certainly has interfered with their opportunity to provide their report, I'm sure, as expeditiously as they would desire to produce that. So by keeping that in mind we are intending to introduce some legislation to the House this session pertaining to the Elections Act, but it certainly won't be in the area of massive or extensive changes as would be envisioned by the Law Reform Commission and their tentative reports.

**MR. CHAIRMAN:** The Honourable Member for Morris.

**MR. JORGENSEN:** I wanted to add just a comment or two to what the Member for Fort Rouge has said so far as the Election Act is concerned. I said at the time, when the Minister announced that that particular problem had been dumped in the lap of the Law Reform Commission, that it was the wrong place to put it; that a Committee of this House, the government themselves would have been far better equipped, along with the advice and help of the Returning Officer. As a matter of fact the Returning Officer himself could have provided the Minister with all the information he required in amending the Elections Act to the point where it could become an Act to be used in this province. Indeed one small amendment to the Act would remove about 75 percent of the problems that the Government was confronted with in the last election, that is, simply making it mandatory that elections be held no later than Tuesday in the week. It was the calling of the election on Thursday that created most of the problems; problems with enumeration, problems with the holding of advance polls and all sorts of other problems that were created simply by the calling of an election on Thursday.

I would suggest that if the government are contemplating amendments to the Election Act — and I know that they are intending to do so with respect to Election Expenses, then the inclusion of that particular amendment would go a long way towards helping to remove a great number of the problems that they were faced with. But I repeat, the sending of that particular problem to the Law Reform Commission was a mistake in the first place. It's been a waste of time and a waste of money. If their first report is any indication of the kind of junk that they're going to come up with — that first report never even was a part of the terms of reference. Where the Sam Hill they got the idea they were going to go off into all the exotic places in the world to study was a various forms of elections is something that is beyond me. And perhaps, maybe the thought occurred to the Minister as well, and I

wonder if he ever asked them where they got the idea that their terms of reference — I read those terms of reference pretty carefully after I glanced through that first report — and I could not understand how they ever interpreted those terms of reference as meaning that they had have the authority or the right or even the obligation to study changes in the Act of that magnitude. I think in Manitoba we are pretty happy with the manner in which elections are conducted here, the system in which elections are conducted. —(Interjection)— Well, even when we're losing, I think that generally speaking, we can be fairly proud of the way the elections are conducted, first of all; and secondly, with the exception of that one error that I think the government made in calling the election on Thursday — I think it created most of the problems. If they will make that change and a few others — that advice they could get from the returning officer himself — they would be able to come up with an election Act within a very short time that would be satisfactory and would deal with most of the problems that they faced in 1973.

**MR. CHAIRMAN:** Resolution 22(a)(1) Salaries \$83,400 — pass; Other Expenditures \$96,200 — pass; 22(b) Manitoba Human Rights Commission (1) Salaries \$290,500. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, dealing with the Manitoba Human Rights Commission and the work of the Human Rights Commission in the Province of Manitoba and some of the proposed changes that are being contemplated in The Human Rights Act, I have to rise at this time and express my concerns about the activities and, in fact, the whole purpose of The Human Rights Act as it was first envisaged in this province and what it has turned out to be.

We see a bill coming in this Chamber dealing with amendments to The Human Rights Act which by its very nature has done something to The Human Rights Act that causes me some concern. If we attempt to spell out in human rights legislation, every type of act which is considered to be inadvisable, then what we are doing is saying that if it isn't in the The Human Rights Act, then it's okay. It has always been my belief, Mr. Chairman, that legislation should spell out intent. It should spell out a principle, a principle that is easily understood by the people of the Province of Manitoba and other people too. But here we find that we are getting into the maze of spelling out terms and conditions for every conceivable possibility that might accrue in society. And by doing that, if we do not mention something, then, by the very fact that it is not included, then it must not come under the purview of the human rights legislation. I think that is a serious mistake. It's not only human rights legislation, I think it applies to almost all to all of our legislation in the province where we have been so concerned about isolated instances that we sit down, we have to draft legislation to cover that particular occurrence and spell it out in a legislation, rather than enunciate a principle in our legislation and leave the interpretation of it to those that are handling the administration of the Act. I think that our society would be a much better society if our legislation clearly showed intention and principle and left out all the little crossing of the "t's" and dotting of the "i's", so that society then would be able to live by the principle involved in the legislation and society by itself would then adopt certain principles of their own which would conform to that. But we find that what is happening is we're trying to cross every bridge before we come to it and those that have to live by the Act, then start looking for loopholes to get around the potholes and the stumbling blocks that the legislation has put in front of them.

I think our human rights legislation is doing that very thing and I have to say that I am sorry to see it happening. Everyone, I think, has a basic sense of decency in their lives, and when we start spelling it out in legislation and trying to cross every "t" and dot every "i," that we arrive at the point that unless it is specifically mentioned in the legislation, then it is either indecent, immoral or fattening. This move towards a great proliferation of stating cases or trying to cover every conceivable aspect in human rights legislation I think is wrong. I think it's seriously wrong. The legislation should spell out nothing more than intent, and I would hope that the Attorney-General will take that seriously and try and revamp the whole human rights legislation so that it does that, it just spells out the intent and the desire of the legislation so that society, by itself, can also adopt a similar code of standards, in which case, in most cases, the human rights legislation would not then be necessary.

**MR. PAWLEY:** Mr. Chairman, I am not quite sure of just what the nature of the honourable member's complaints were pertaining to The Human Rights Act. I gather that he feels that The Human Rights Act, in too many instances, is too specific, too detailed. I want to say that I think that it requires more than the stating of some general principles that we all accept — equality of one individual to another regardless of race or religion, creed, colour — but I believe that we must go beyond that, and to ensure that the legislation has some effective means of dealing with problems when they do arise and some measures for enforcement, and also provide for some means of educational development within the community, because certainly it is a question of gradual change in attitudes of individual to individual insofar as the entire field of human rights are concerned.

I'd like to just point out to the honourable member that I believe that every province now in Canada has legislation which pertains to human rights, every province has a Human Rights Commission, every province has methods of inquiry and ascertaining whether or not an actual ground of

discrimination has occurred and providing for some means of adjudicating a complaint pertaining to discrimination. In fact, just now there is a pretty good piece of legislation before the federal House, a Canadian human rights Act, so that we will have federal legislation, we'll have legislation in each of the ten provinces dealing with human rights.

I am afraid that it would be a move backwards if we in fact left our legislation so general that in fact, Mr. Chairman, we simply ended up indicating that we believe in motherhood, but not going beyond that to deal with some of the real stark, gross situations which do occur from day to day and week to week to month to month in the area of individuals' prejudice or bias or bigotry, one to the other. I think, Mr. Chairman, in fact, that one of the pieces of legislation that we can be most proud of as a government — and I don't speak in a partisan fashion here, because Liberal and Conservative governments elsewhere in Canada passed similar legislations — is that pertaining to human rights.

**MR. GRAHAM:** Mr. Chairman, I just want to find out a few cases where we have . . . it's almost numerous to look at. We know that the intent is to prevent discrimination on race, colour, nationality, ethnic origin, sex, marital status, age, family status, source of income, religion, political belief. And yet society, by its very nature in many cases, wants some of those things to occur. For instance, we have . . . I think this province voted some million-and-a-half dollars to establish a Franco-Manitoban Cultural Centre strictly for the Franco-Manitobans. We find a building going up in north Winnipeg purely for the Chinese community. —(Interjection)— Well, the Mennonites have theirs, too, probably. —(Interjection)— But at the same time, we find that in the line of apartment buildings, where you can't discriminate because of income or source of income, we do find that there are apartment buildings that people would love to have which are purely for elderly people, and we do have them, so that what we do in society and what we intend to do sometimes, even though it is desirable, could conceivably be classified as conflict of interests or in a violation of the human rights legislation.

So it isn't that easy to spell out in specific detail in human rights legislation what is desirable and what isn't. I think that's why I say the intent should be clearly stated instead of trying to cross all the "t's" and dot all the "i's". We would be better off if we spelled out our intent and let the decision-making all fall in the purview of the Human Rights Commission to take a look at it. If somebody says, "Well, our intent here runs at cross purposes to that of The Human Rights Act," let them go to the Human Rights Commission for advice.

What we are doing with our Human Rights Commission, as far as I have been able to ascertain, is the Human Rights Commission is running around the province trying to sue somebody all the time for violations. Rather than offering encouragement and offering advice, they seem to be taking the other aspects of it, and that is the thing that concerns me.

**MR. PAWLEY:** Mr. Chairman, I would hasten to correct what I think are some incorrect impressions that the Honourable Member for Birtle-Russell has. Certainly there is nothing in The Human Rights Act to prevent the renting of apartment suites to senior citizens. Senior citizens' apartment suites is a specific section in the Act that provides for that type of exclusion. Other sections provide for certain types of exclusions because The Human Rights Act is basically concerned about some of those basic problems that confront men to men in dealing one with the other: the right to obtain shelter, the right to obtain decent shelter regardless of one's racial background, one's colour, one's sex, one's marital status. That's a basic right — shelter. The right to obtain employment regardless of one's race or religion or colour, again it's clearly established in The Human Rights Act that this is a basic right regardless of one's nature.

I think that very few Manitobans would attempt, for a moment, to justify discrimination when it comes to basic rights such as shelter, such as accommodation, and might I add, such as displaying of signs or notices that are offensive or attempt to bring about bigotry and dislike one race as against another, religion as against another religion, because surely, in this entire world of ours, this planet, there are so many of our problems that we are confronted with throughout the world today as a result of prejudice, and bigotry, race as against race, religion against religion.

I don't suggest for a moment that we can make giant steps in Manitoba alone, but I think that it's a slow process of attitudinal change, a change in attitudes of people. I would like to feel, Mr. Chairman, that through legislation such as the The Human Rights Act, that possibly we inch slowly forward towards the acceptance of the fact that all human beings are equal regardless of their race, their religion, their marital status, their political beliefs, that each individual has an innate worth and a right to certain basic needs and wants within society.

The honourable member referred to the Human Rights Commission racing around to prosecute. If that was in fact the case, I would be upset, because I don't think the Human Rights Commission, Human Rights staff, that they should be principally concerned about prosecuting people. I think their principal responsibilities must be to reconcile differences, to point out the fact that in our society, we do not accept discrimination insofar as housing accommodation is concerned because one is a Jew rather than a Roman Catholic or a Protestant, or one is English and the other is German. We don't

accept that. That is an educational process and much of the problems can be dealt with by way of reconciliation, and I would say and I would think that 98 to 99 percent, maybe 99.5 percent, of the problems or the referrals to the Human Rights Commission are dealt with by reconciliation, party to party. There are very, very few prosecutions. In fact, I am wondering if there have been any prosecutions . . . .

No, there have been no prosecutions this past year on the part of the Human Rights Commission. So the Human Rights Commission certainly is not running around to try to prosecute people because if they were doing that, then I do share the view that in so doing, that prosecution is being launched all over the place rather than attempts to reconcile then certainly we would be creating a situation that would only bring about a backlash against some of these fundamental beliefs and rights of individual to individual. So we're not trying to prosecute. We're trying to reconcile and also very importantly, Mr. Chairman, it's hard to measure, very difficult to measure, attempting to educate, attempting in some small way to provide some leadership in this entire area rather than to take a *laissez faire* view of human rights to, in a balanced fashion, to attempt to provide some leadership, some guidance, some reconciliation, but certainly not to use the heavy hand of the state through endless prosecutions. And that has not been the record of the Commission.

**MR. CHAIRMAN:** Resolution 22. The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Thank you, Mr. Chairman. Mr. Chairman, I'd like to ask the Minister regarding an article in one of the daily papers that appeared, I think, about a week and a half ago. It says the Manitoba Human Rights Commission in exploring ways and means of reducing discrimination, one way is by monitoring newspaper advertisements, and they are seeking volunteers interested in assisting in this project. Volunteers will be trained in spotting discriminatory words or phrases and may work in their offices or at home. For further information call Mr. M. Burka, or J. Wing at such-and-such a number.

Mr. Chairman, I would ask the Minister if the Human Rights Commission has no more to do than start to train volunteers to be spying in newspapers. If that's the underlying attitude and thoughts of the Human Rights Commission, I think the Minister better get in there and clean it out pretty quick and get them thinking right.

**MR. PLEY:** Mr. Chairman, I don't think the Human Rights Commission is interested in spying and busy-bodging but I think that they're also interested in ensuring that they do their job. And they do their job as economically as possible and if the honourable member will note there has been only an increase of \$15,000 in the item for Human Rights this year compared to last year despite inflation. The reason that volunteers are involved — and I must say that I think it would be a great thing if we could encourage more of this through other departments and agencies of government — to involve some voluntary input rather than thinking that every time a job is to be done that a civil servant has to be hired to do that job. There is much that can be done through voluntary input. This seems to me to be something which is necessary in some respects to be done, and certainly doesn't require the hiring of staff to do. I think it's for that reason the commission has been able to minimize, as I say to \$15,000 despite inflation, their increase this year over last.

**MR. F. JOHNSTON:** Mr. Chairman, I think the Minister is just a little bit off-track when he starts talking about cost of administration. The Human Rights Commission is set up — and as the Honourable Member for Birtle-Russell said, "If we'd stop dotting i's and crossing t's and get principles more than we've got into nitty-gritty." This is getting into what I would say real nitty-gritty. If the Minister or the Attorney-General is really saying to me that he believes that the government should operate by having volunteers around this province trained to watch everybody else I really don't think that that's a very good situation as far as this day and age is concerned, because we'll all be walking around looking over our shoulder.

Now, Mr. Chairman, I really think that I can agree with the Minister in trying to keep budgets down but really this particular principle that we're leading to is not very good and I don't think the Human Rights Commission, of all people — the word Human Rights means people have human rights, and they don't expect to be being spied on or be looking over their shoulders by volunteers who are checking everything that goes in the paper.

**MR. PAWLEY:** I do want to say to the honourable member that he can't be serious in using the term spying, because we're dealing with public newspapers subscriptions of the two dailies; one a hundred thousand and the other I believe 150,000 or 175,000, so it can hardly be spying in a private way if they're dealing with the public media that's available to all to read and to observe.

**MR. F. JOHNSTON:** Mr. Chairman, I will put it in just one more way, that if I or let's say my neighbour decides to put an ad in the paper, he's going to be very concerned that his neighbour hasn't been trained by the Human Rights to read the ad and turn him in that he's been discriminatory within his ad. That's basically what is happening under this type of an operation.

**MR. CHAIAN:** Resolution 22 (b)(1). The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** When we considered amendments to this Act, I guess it was in the last session and the session before I'm losing count, there were a number of concerns about the implementation

and enforcement procedures of the Act that I raised at the time and would like to know to what degree those concerns were unfounded or in fact have been proven to be the case. In particular there was the concern about the question about confidentiality of information and the access, how a person would gain access to information that was provided to the Commission say, concerning an infraction of the Act, and how the person who was being complained against would find out, and whether in fact there would tend to be a form of reverse discrimination to the extent that the inability to get access to the information other than without the Commission providing it or agreeing to it. It could work to the detriment of those and we could almost use the Human Rights Commission as a way of getting even with someone then if he really wanted to, but it was that particular provision in the Act which gave me some concern at that time.

There was also the enforcement provisions related to the access that the Human Rights Commission Officers had to premises and how they had been using that particular power under the Act to gain access, and whether in fact it has been used and under what conditions and what circumstances it has been used.

I also express some concern, Mr. Chairman, about the operation of the Board of Adjudication and express the problem that setting up a series of ad hoc boards of adjudication meant that there was not any opportunity to develop a body of law or body of precedence that would give some guidelines upon which cases could be judged. And, in fact board of adjudications could be disbanded after their hearings and therefore no one could ever hold them responsible. I'd be interested in knowing, have there been such board of adjudications? Who's been on them? How have they been formed? What has been the record of experience with the Board of Adjudications as provided under the Act.

I was also concerned, Mr. Chairman, with the position in the Act of the powers of the Board, and particularly of the Executive Director, to make decisions as to who was going to be prosecuted and who wasn't and all those other kinds of powers. Again, putting a tremendous onus on the Executive Director himself without a degree of accountability applied to it.

So I would be very interested in learning, Mr. Chairman, how those provisions of the Act, have in fact been working and to what degree they are being applied with a degree of discretion and judicious behavior so that those fairly substantial powers that were granted to the Human Rights Commission under the recent amendments, are not in fact in any way being abused.

**MR. PAWLEY:** Mr. Chairman, first in connection with confidentiality. There have been no complaints and I gather no problems certainly brought to my attention nor to the Deputy Attorney-General or I understand to the Executive Director of the Human Rights Commission pertaining to confidentiality. And the same is so in respect to access to premises, and I don't believe there have been any cases in which there has been need to use that particular section during the past twelve-month period. Insofar as the Board of Adjudication there is only the one case. The Board of Adjudication being established and that is the one which has been established pertaining to the retirement age, 65, which will be chaired by Jack London. The first hearing to take place later on this month pertaining to compulsory retirement at age 65. That is the only case involving Board of Adjudication during the past year.

**MR. AXWORTHY:** Thank you, Mr. Chairman, for that information. I'd like to come back to some points that he made earlier in response to the Member from Birtle-Russell in his concerns about perhaps the Human Rights Commission was going to be racing around the Province prosecuting everyone left and right. The Minister took some pride in the fact that the Human Rights Commission has not undertaken any prosecutions. Mr. Chairman, I have a worry about that as well. I'm not so sure that being a Mr. Nice Guy all the time is the way to achieve the purposes of the Act. I know that there's a balance but in the past, if there's been any criticism of the Manitoba Human Rights Commission it is that it's been a little bit of a marshmallow on a lot of issues and that it hasn't really pursued some of the overt acts of discrimination, particularly in the areas of housing with the degree of authority that it might otherwise have done. I'm wondering if in bending over backwards not to appear to be too much like a court of star chamber, that in fact maybe that the Human Rights Commission is not fulfilling the legitimate mandate that has been provided for it under the Act.

In that respect, Mr. Chairman, I've never really seen a full description and I've read the reports fairly carefully, about what are the patterns of discrimination that are most obvious in the Province of Manitoba. We make a lot of principles about whether it's race or religion or ethnic background, etc. The Human Rights Commission has been around for awhile now and I suppose most Manitobans would like to believe that we live in a tolerant open society with only exceptional cases. I'm wondering if the Minister from his reports and discussions with officials could indicate whether through the experience of the Manitoba Human Rights Commission they can discern any noticeable or particular patterns of areas of discrimination or bigotry or prejudice that may represent particular problems in our province that require, perhaps more examination and consideration in this Chamber or in this House during the examination of the Human Rights Commission, and if they have done any appraisal of the cases that come before it. So, that would be a second question I would have.

The third question I have, Mr. Chairman, and I raise it again in response to the answer given by the

Minister to previous questions is about the role the Commission plays in the protection of rights, and it's been a fairly standard observation of those who have looked at different Human Rights Commissions in different jurisdictions, that in many cases Human Rights Commissions work best for those who probably need them least, that those who have a relative degree of sophistication and skills in being able to protect themselves and protect their own rights are those who are most able to make use of Human Rights Commissions because they know that there is such a thing to begin with. They're not afraid to use it. They have a fair degree of confidence in being able to walk through the door and make their case. And often those who are most discriminated against are those who have the least resources, least skills, the least abilities to protect themselves and certainly to make use of a thing like your Human Rights Commission. It leads me to the question about the nature of the work of the Commission in ensuring that those who are most discriminated against because of lack of education and lack of income and because they are in the most disadvantaged minority groups in the province, and particularly groups like Native people in the province are able to make full and proper use of the Commission because I think that that should be its primary concern for those who suffer the most overt and widespread acts of discrimination. So I would raise those kinds of issues that the Minister might respond to.

**MR. PAWLEY:** Mr. Chairman, I would share some of the concerns the honourable member has in connection with prosecutions. I think from time to time that a prosecution is not a bad thing when you have a very blatant case of discrimination. I think the Commission would not hesitate to launch a prosecution where attempts to resolve or to reconcile have failed.

It so happens I believe that the Commission has been very successful in any of its efforts to reconcile and to resolve, and it's rare that there is a continued and blatant defile of a complaint which has been justified by one that is alleged to have discriminated.

Secondly, insofar as a trend or pattern pertaining to cases are concerned, there has been a sharp increase in formal complaints involving alleged discrimination in the providing of housing. The numbers involved have tripled between 1974 and 1975 and almost doubled between 1975 and 1976. The increase we feel is due to the unusually low apartment vacancy rate. This has been much tighter in 1976 than it was in 1975, with a vacancy rate declining from 1.7 percent to 1.4 percent of all apartments. Also of course was the fact that we added to the grounds for discrimination, marital and family status, so that naturally brought about an increase in the number of complaints under the general subject heading of housing.

Insofar as the level of involvement by sophisticated, I could not disagree with the fact that of course those that are often very sophisticated and can cleverly discriminate by avoiding the type of remark or overt action that would be forthcoming from an unsophisticated person. There's just no question that that happens and that's one of the problems of course with legislation such as this nature. In fact so much of law, unfortunately suffers from that very defect that its web often best successfully catches those that are poor, inarticulate or not well-informed and those that are articulate and sophisticated often are able to fly right through, so I don't question the fact that that sometimes is too frequent a pattern.

I think the very fact, however, that the legislation is here does have that type of influence, insofar as all segments of the economy and certainly is a contributing factor to the lessening of discrimination and the encouraging of a greater concern for rights within our community, within our province.

**MR. AXWORTHY:** Mr. Chairman, I'd like to come back to the comments made by the Minister in relation to the areas of discrimination that he has indicated are becoming more frequent and more noticeable and in particular I'm wondering if he could be more specific in relation to discriminatory patterns in housing. What are the nature . . . Is it related to single parent mothers which is a complaint that has been raised with me at times? Is it based upon race, age? What is it in fact, what is the nature of the discrimination that is taking place? Is it that older people don't want younger people in or *vice versa* ? Perhaps he could elaborate to some extent, more adequately on what the patterns might be in these areas.

I would like to maybe raise a question with him that I find somewhat odd or unusual that he didn't indicate as being of much concern or of much discrimination, which is in the area of rights between sexes in that it struck me, frankly, Mr. Chairman, that in many areas that the Manitoba Human Rights Commission has been very reluctant to enter into that particular arena of concern. In fact hasn't done much within its own purview of even looking at what the provincial government does in terms of treatment of women employees, discrimination in salary levels, employment standards, professionalization, opportunities, etc., which I think, if you look at the statements made by the Women's Bureau of your own government, say in fact, are in large evidence and existence. It's interesting that the one prosecution they mentioned was in dealing with the retirement age at 65 and yet it's quite clear that in relation to pension benefits in the Provincial Civil Service and other areas, there again is fairly overt acts of statutory discrimination available in these areas.

I am wondering if in fact the Minister might, when he gets the opportunity, raise with the Manitoba

Human Rights Commission whether in fact they should be pursuing a somewhat more aggressive stance in these areas and maybe begin looking within their own doorstep and within the arena which is most susceptible perhaps to change because it is a public body subject to public scrutiny, and that is within the area of the provincial government itself, and to what degree it has been looking at the way in which forms of discrimination appear in those areas of concerns between men and women.

**MR. PAWLEY:** Mr. Chairman, pertaining to the types of discrimination which occur in housing, the main area in which there is greater selectivity used by landlords pertains to young singles, welfare recipients, persons of Indian ancestry, families and single parents, are often tagged as high risk and tend to be given low preference insofar as housing accommodation. So those are the major areas in which there are complaints pertaining to discrimination.

**MR. CHAIRMAN:** The Honourable Member for Assiniboia.

**MR. PATRICK:** Mr. Chairman, I would like to pursue almost in that same light that my colleague from Fort Rouge has asked. I know that in the last several years we have had a considerable amount of mobility by the women in the labour force in Manitoba and in the government as well, in the government services, and I'm sure that many employers or many of us are familiar with perhaps discrimination as far as colour, race or discrimination on the basis of housing and so on, we're quite familiar.

But what about discrimination as far as sex is concerned with respect to employment in government agencies? The Human Rights Commission Report — has it done any investigation in respect to the government itself? Can the Minister indicate, what about equal pay for equal work? There has been concern this year, and great concern, by some of the employees of the MTS, Manitoba Telephone System. So has the Commission involved itself in that area at all? Is there really the equality of opportunity between the sexes as far as the government employment and the government services are concerned in its own Civil Service, in its own departments and as far as its agencies? Has the Commission looked in that area or does it look in that area and what happens when it has to look in the government agency itself? I would hope that the Minister can give us some indication because there has been quite a bit of concern by women's organizations about a considerable amount of discrimination in respect of equal pay for equal work. What has happened in that area?

**MR. PAWLEY:** Mr. Chairman, I would like to just draw the honourable member's attention that it was this government that passed legislation pertaining to equal pay for equal work and it's been this government that has brought about a number of measures which have led to equal pay for equal work. I refer to two specific areas, that pertaining to nurses' aides and attendants in our institutions, as well as housekeeping aides and institutional servicemen. There were adjustments made there that ensured that there would be equal pay in both categories. So this government has never been hesitant to ensure that its own legislation has been carried out and in fact has done so in the two instances which I referred to.

I'm not familiar with the honourable member's concern pertaining to the Manitoba Telephone System. It's not an area where I'm aware that there has been a lack of equal pay for equal work. It's easy, I suppose, to suggest that but to produce information and facts that prove that is an entirely different matter and I don't think that case has been proved. At least I have not received any indication to that effect.

Insofar as the government service is concerned, again we have advanced a program of affirmative action which has attempted to ensure that there is greater hiring of disadvantaged groups, not just female, but others within the Civil Service. I think one could list the increasing numbers of women that are holding very important — on their own right, not because they are women but because of their own merits their own skills — within the government. Right offhand I can think of, within the last year, a most competent young lady within our own department, Ruth Krindle, a very very competent Crown Attorney in her own right who is now the Chairperson of the Manitoba Labour Board, a very important and senior position. One could certainly provide many other such examples of where, I think, this government has taken very very seriously its responsibility. Mary Liz Bayer, female judges that have been appointed . . .

**MR. PATRICK:** Mr. Chairman, I'm sure that you'll agree that the Attorney-General has used an excellent example. He's correct, it's a good example, but I'm sure that he can count on one hand the very senior positions in the Civil Service, in the government, or in the court system in the province, or in Crown corporations — I'm sure that's correct, there's very few. The Women's Bureau detailed it pretty clearly last year in their submissions. So with all the credit the Minister wants to take for the great job he's done by bringing in the Human Rights Commission and some of the other legislation, but the progress hasn't been that great.

**MR. PAWLEY:** Mr. Chairman, this is a matter that could be debated at great length, but I think that there have important steps taken and I think that in our own department, which we are dealing with, we now have four full-time lawyers in the Department of the Attorney-General that are female and

also of the seven students that I mentioned earlier that have been hired for this year, four or five are female out of the seven. So it may be that very shortly it will be suggested that there's reverse discrimination here. So there certainly has been a move to provide greater involvement and let me say that it's based upon skill and ability.

**MR. CHAIRMAN:** Resolution 22(b)(1) Salaries \$290,500—pass; Other Expenditures \$151,200—pass; Resolution 22(c) Criminal Injuries Compensation Board \$443,000.00. The Honourable Member for Birtle-Russell.

**MR. GRAHAM:** Mr. Chairman, could the Minister indicate where the \$50,600 Recoverable from Canada — what is that recovered for?

**MR. PAWLEY:** Mr. Chairman, we have an agreement with Ottawa to the extent that we recover five cents per head of population from Ottawa for Criminal Injuries Compensation.

**MR. CHAIRMAN:** Resolution 22(c) \$443,000—pass; 22(d) Manitoba Police Commission (1) Salaries \$75,500.00. The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, it would be interesting to know what the Manitoba Police Commission is presently doing with the expenditures, particularly its Other Expenditure, in light of the increased concern that has been expressed in many areas about the problems of growing crime rates in the city in particular and in other areas. Could the Minister explain what actions and activities the Manitoba Police Commission sees as its role to play in these areas?

**MR. PAWLEY:** Mr. Chairman, the first item was the Mobile Van Project that I mentioned. I don't know whether the honourable member was here during my opening remarks in which I dealt at some length, pertaining to a mobile van project which is an involvement of the Manitoba Police Commission in providing a van which will become operational in spring, provided with audio-visual aids and other educational materials and piloted by a project co-ordinator to various communities throughout the province where it will be used for disseminating information on criminal justice and crime prevention and promoting dialogue an co-operation between the public and the representatives of the criminal justice system and encouraging local participation in the criminal justice system. This mobile van project is committed to three years of operation and will be subject to short-term evaluation as well as to other forms of evaluation. This would be one of the other major areas.

One of the most successful programs that the Commission is involved in is the providing of students, hiring students, 20 - 25 each year to work in remote communities in northern Manitoba to work with juveniles in order to assist in the reduction of delinquency on Indian reserves. Last year, for instance, eight reserves were covered in the work by these students: Shamattawa, Moose Lake, Easterville, Pelican Rapids, Norway House, Gods Lake Narrows, Oxford House, Roseau, and also in the Communities of Ilford, Camperville, Amaranth and Duck Bay. The total number of students last year involved were 34 of which 18 students were funded from provincial funds and 16 students were funded from federal funds through the Department of Indian Affairs.

This has been a very successful program and in fact I was present when the students reported last September on their activities in the remote communities. At the same time the representatives of the RCMP were present and testified as to the reduction in much of the delinquency pertaining to these remote communities during the summer months when students did involve younger people in the remote communities in useful and fruitful activity.

Another involvement is the Provincial Justice Senior Probation personnel in the newly established Court Communal program involvement in holding workshops throughout northern Manitoba as a community education program to explain the administration of justice in Native communities. So that's been another one of the activities under that particular section as well as the quarterly magazine, which I don't know whether the honourable member has seen it, "On Patrol," which would also be an expenditure under that section as well as films that have been obtained, loaned out to Police Departments for use in training and safety programs.

**MR. AXWORTHY:** Well, Mr. Chairman, the activities outlined by the Minister are laudatory indeed but I wonder if they really are addressing themselves to some of the central questions concerning law enforcement in the province. If one begins to take a look at the major items which at least receive a fair degree of attention in the public press, I think that's a reflection of a real problem, I'm not so sure mobile vans and summer students are a particularly relevant response. What I'm more concerned about would be the role that the Manitoba Police Commission plays in acting as an advisor if you like, to the Minister himself, concerning the kinds of actions that should be taken to improve and strengthen law enforcement in the province in those areas where it's experiencing the most severe difficulties. Now to the extent that I can recall from my own experience, working with the City of Winnipeg Police Department on a fairly extensive basis, the whole problem in major changes in inner city crime patterns, young people, the development of new forms of policing in these areas received absolutely no assistance whatsoever from the province. They abdicate really in a field within not a very large district of Central Winnipeg which constitutes 40 percent of the crime rates in the City of Winnipeg, it has called upon for a number of very important measures. The obvious problem that the City Police face is funding. That's one of the problems at least. Obviously another part of the problem

is the organizational framework, but also the third problem is the kind of resources that are brought to bear because again the crime problems there take on particular characteristics and there is a few pilot projects sponsored by the Solicitor-General's Department, but from what I can tell, Mr. Chairman, the Province of Manitoba, up to this point in time has taken virtually no interest or certainly no interest is expressed through any particular application of resources to improving law enforcement in those areas which are experiencing severe increases in crime rates and severe pressures upon the law enforcement agencies in the province. I really would like to know at what point in time is the Police Commission or has it reported to the Minister about these concerns and made recommendations. And is the government considering taking some steps in these areas to respond to what in some areas is becoming a very major problem of security and law enforcement.

**MR. PAWLEY:** Mr. Chairman, first there are only three resource people that can be used in this particular role so there's not a great deal of resource material that is available to carry out what would be a very extensive function that the honourable member has related. But certainly the Commission is very much involved at the level of Community Police relations and staff are constantly on the move dealing with problems pertaining to communities and police relationships.

I can think — Mr. Webdale for instance does very excellent work. Much of it is work involving northern communities in police-community relationships. Certainly he has been also working at the City of Winnipeg level and again the main feature being that of community-police relationships, trying to improve it, trying to make suggestions to the police and to the community representatives as to how more effective, how better, the utilization of the police can be developed at the local level.

**MR. AXWORTHY:** Mr. Chairman, the Minister again is describing — no one would criticize him for taking that particular action, but it didn't address the question I raised with him, and that is that again going beyond taking some of these incremental steps, to what degree — I will reverse the question: using the Manitoba Police Commission as a way of making a careful assessment of those areas of crime problems in the province, both urban and rural and northern, which are experiencing particular pressures and are undergoing changes and transformations in the nature of crime and the way in which law enforcement may have to adapt itself or change in order to respond to those new conditions so that the Province of Manitoba can determine whether it has responsibilities, either in the way of supporting the work of local police departments and agencies, developing alternative approaches to it, and maybe eventually applying some resources to these areas. I think that there /is a particular pressure that is placed upon certain police agencies who bear the brunt in the City of Winnipeg, as large-scale migration constitutes a major proportion of the crimes in the Inner City. They receive no assistance from the province, really, to support that kind of work. I'm really wondering at what point is the Minister prepared to have the Police Commission — if that is not the proper body, maybe it's something else — begin making recommendations in areas of training and in administration and in resources and in equipment and in procedures and all the rest of these areas, in manpower itself, to ensure that the problems that we are now experiencing in certain parts of the city, which are certainly growing by leaps and bounds — the rate of personal crime I think went up an extraordinary amount last year — that those responses can be made and in an effective way and to the degree that the province can assist in those local municipal police department responding, we would be prepared to do so. But up to this point in time, it seems to me that there hasn't been a high degree or much degree of co-operation or certainly of transactions between them in terms of making those kinds of assistance available.

**MR. PAWLEY:** Mr. Chairman, I'd like to advise the honourable member that in fact next week, there is a conference of Canadian Police Trainers right here in Winnipeg, in which the members of the Police Commission are involved in providing back-up support. Also, Mr. Moulder and others have been involved in trying to develop a program for police training and there has been extensive involvement in bringing in recommendations to myself in matters that are presently before the Committee of Cabinet, HESP, dealing with police training and a police training school. That has not been processed to the point that there has been any clear-cut government approval to proceed, but certainly there has been extensive involvement by the Commission pertaining to police training and trying to develop with the Winnipeg Police, some structure to provide improved means of a police training school. Certainly, I have received many recommendations pertaining to that which are presently before the HESP Committee of Cabinet.

**MR. CHAIRMAN:** Resolution 22(d)(1) — pass; (d)(2) Other Expenditures \$53,400—pass. Resolution 22(e) Board of Review \$11,700—pass; 22(f) Manitoba Lotteries Licensing Board \$12,700—pass. Resolution 22: Resolved that there be granted to Her Majesty a sum not exceeding \$1,217,600 for the Attorney-General—pass.

Committee rise. Call in the Speaker.

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

**IN SESSION**

**Thursday, May 12, 1977**

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**MR. DEPUTY SPEAKER:** The Honourable Member for Flin Flon.

**MR. BARROW:** I beg to move, seconded by the Honourable Member for Morris, that the Report of the Committee be received.

**MOTION presented and carried,** and the House adjourned until 10:00 a.m. Friday.