

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Monday, 28 July, 1980**

**Time — 2:00 p.m.**

**OPENING PRAYER by Mr. Speaker.**

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

**ORAL QUESTIONS**

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

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, my question is to the First Minister. In view of the fact there will be a federal-provincial conference in September pertaining to the Constitution, can the First Minister advise as to whether or not there has yet been a decision made pertaining to opposition observation at the federal-provincial conference planned, in view of the fact, that the Prime Minister indicated he had no objection?

I believe the First Minister earlier during the Session indicated that as well.

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

**HON. STERLING R. LYON (Premier)(Charleswood):** Mr. Speaker, I daresay it will be some time before there is communication back and forth on that topic but I will undertake to let my honourable friend know as soon as I hear anything on it, that is as to the status of observers or make-ups of delegations.

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

**MRS. JUNE WESTBURY:** Thank you, Mr. Speaker. My question is addressed to the Minister of Labour or any other appropriate Minister. When can we expect an announcement on the appointment of the Advisory Council on the Status of Women which was promised us last February in the Throne Speech.

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

**HON. KEN MacMASTER (Thompson):** My understanding, Mr. Speaker, is that the provincial council on the Status of Women have been attempting to get this particular body recognized since 1972. They met our announcement with a fair degree of agreement and support and I haven't had any chastisement from any women's group in Manitoba at the two or three month study that we have put into putting this body together and I expect the announcement to be made rather shortly.

**MRS. WESTBURY:** Mr. Speaker, one wonders when he spoke to the women's groups because I have

been hearing from them on this. Mr. Chairperson . . .

**MR. SPEAKER:** Order, order please. If the honourable member has a question, the honourable member can proceed.

**MRS. WESTBURY:** I do beg your pardon, Mr. Speaker, I thought we were allowed to preface it with a brief statement. Mr. Speaker, will we be receiving the news of this announcement at this Session. It was promised in February and while it has been awaited for a long time, can we expect an announcement before we rise from this Session, Mr. Speaker?

**MR. SPEAKER:** The question has already been answered. Orders of the day. The Honourable Member for Fort Rouge with a final supplementary.

**MRS. WESTBURY:** Mr. Speaker, I wonder if I can get an answer to another question. A couple of times I have asked the Minister of Consumer Affairs if he would announce to the House the result of his investigation into the matter at 188 Roslyn Road where condominiums were being offered for sale even though they are not condominiums. The building has not been converted. The Minister promised to look into that. Could he report to the House on that matter please, Mr. Speaker?

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

**HON. WARNER H. JORGENSON (Morris):** Mr. Speaker, that particular matter has been referred to my department. I have not as yet received any report from them.

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

**MR. LEONARD S. EVANS:** A couple of days ago I asked the question which the Minister of Community Services took as notice for the Minister of Government Services relating to the old Brandon jail, and I wonder if I could now ask the Minister responsible, the Minister of Government Services, whether the government has any plans for the utilization of this 100-year-old-plus building in the city of Brandon.

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. HARRY J. ENNS (Lakeside):** Mr. Speaker, I am advised that the historical advisory group that makes numerous recommendations to the Minister of Cultural Affairs has indeed singled out that aspects of the old Brandon jail should be considered as a historical sight. The recommendations are being reviewed by the Department of Government Services. There is some ambiguity in the recommendations. They are suggesting that the facade or some portions of this, the first jail in western Canada,

ought to be preserved for historical reasons. I am well aware of the fact that the community of Brandon and different interest groups within the community of Brandon have reason to use the site for a multiple of uses, some suggesting that it could be used for a possible senior citizen home development; a religious group asking for the use of the site for a possible church location. I will now be consulting with the Minister of Cultural Affairs as to whether or not it is indeed government policy to look at the recommendation of the advisory group that this site be considered for its historical significance.

**MR. EVANS:** Apart from the historical group to which the Minister refers, Mr. Speaker, have any other groups or individuals approached the government with suggestions for utilization of the building or indeed for demolition of the building?

**MR. ENNS:** Mr. Speaker, I thought I had covered that question in my earlier answer. Yes, the Ministry of Government Services has had at least two specific requests for the site, not the building, but for the use of the site for other purposes.

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

**MR. EVANS:** Thank you, Mr. Speaker. Is the Honourable Minister in a position to indicate at what point in time he would be making a decision with regard to the utilization of this building or a decision on the use of the land?

**MR. ENNS:** Mr. Speaker, I would hope that we could come to a decision relatively soon. I suppose perhaps it would be somewhat difficult to consult the former alumni of this association as to their thoughts about the preservation of the Brandon Jail as a historical site, but I do appreciate the fact that several organizations are specifically interested in the future development of that site, but I have always indicated to the Mayor of Brandon and the City Council at Brandon that the normal procedure would be that unless we made a conscious decision to preserve part of the Brandon Jail for historical reasons, that the order is fairly clear that the municipal government, the local government would be given the first option, if they had any particular uses for it. If that would not be the case, then other interests would be given an opportunity to make a proposal to government for the use of that site.

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

**MR. SAUL CHERNIACK:** Mr. Speaker, I would like to ask the Honourable Minister of Finance if he is now in a position to let us have copies of the Mandan Agreement, signed apparently by Hydro, as well as the agreement previously negotiated but not signed in relation thereto.

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

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, I have been asked that question a number of times and I'll give the member the same answer. I referred

it to the utility and directed the question to them. My understanding is that they wanted to check with the other partner to the agreement to determine where there were any concerns from their end of it, which I know, Mr. Speaker, it is well known to members of this House that anytime documents are tabled it is with the agreement of the others at the other end of the line. If the member wants to formally request it through Order for Return, he can do that, but I can tell him that if the Hydro comes back and says that it's satisfactory to the other party to the agreement, that it will be done. If he wants to formalize it so he can save his breath in the question period, he can do that.

**MR. CHERNIACK:** Mr. Speaker, inasmuch as the Minister of Finance knows full well that his response after formal Order for Return need be no different than the response he is giving us, and accepting the fact that I never found it necessary in this case to file an Order for Return because of his undertaking, could I at least ask of the Minister whether he would make enquiries as to whether Hydro has requested the approval or consent from the other agency and whether or not a reply has been received, or when it may be received?

**MR. CRAIK:** Mr. Speaker, the question has been directed. If I don't have a reply by the end of the session, I will give the member the undertaking that the agreements, if they are available, will be forwarded when they are received. I believe that can be done appropriately. It won't be available as a document for the House, but if in fact they are made available for this purpose, I have no hesitation in forwarding them.

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

**MR. D. JAMES WALDING:** Mr. Speaker, my question is to the Honourable Minister of Education, and it refers to a new regulation that was in last week's copy of the Manitoba Gazette, referring to teacher certification. I would like to ask the Minister whether this is the change in regulation that he alluded to during his estimates in the debate at that time on teacher certification.

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

**HON. KEITH A. COSENS (Gimli):** Mr. Speaker, I believe this is the same regulation.

**MR. WALDING:** Mr. Speaker, a supplementary question: Can we expect any further changes in the regulation having to do with teacher certification, along the same lines, or is this the sum total of the changes the Minister anticipates?

**MR. COSENS:** I would expect that would suffice, Mr. Speaker. However, it may be necessary to make other changes. I don't anticipate any at this time.

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

**MR. BILLIE URUSKI:** Thank you, Mr. Speaker. I direct this question to the Minister of Natural Resources and ask him whether his department has given approval to build a temporary crossing across the Dauphin River in the Lake St. Martin area for farmers to cross to haylands, rather than using barges?

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

**HON. BRIAN RANSOM (Souris-Killarney):** I'll take the question as notice, Mr. Speaker.

**MR. URUSKI:** Thank you, Mr. Speaker. Can the Minister advise whether or not his officials have advised him about the concern to the whitefish spawning grounds in the Lake St. Martin area, that this may affect, by allowing the natural flows of water to wash the mud away that will be dumped into the river as a temporary crossing?

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

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

**MR. URUSKI:** Mr. Speaker, could the Minister check this afternoon, as I am given to understand the bridge is to be built either today or tomorrow and there is great concern that the whitefish spawning grounds will be affected because of the muddying of waters that this will cause, while there are alternate means of crossing the river?

**MR. RANSOM:** Certainly, Mr. Speaker. I thank the honourable member for bringing it to my attention.

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

**MR. JAY COWAN:** Thank you, Mr. Speaker. My question is to the Minister responsible for Government Air Services. I would ask the Minister, in light of the fact that Pacific Western Airlines has indicated they will not be landing at the Thompson Airport because of strip conditions, is the Minister for Government Air prepared to station the MU-2 in Thompson for MediVacs which might have been handled in previous instances by PWA on a regular basis?

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

**HON. DON ORCHARD (Pembina):** That matter is under process right now, Mr. Speaker.

**MR. COWAN:** As a supplementary, Mr. Speaker, I would just ask the Minister to clarify if that is a commitment on his part to have the MU-2 stationed in Thompson for the duration of the period during which PWA has chosen not to use that strip because of conditions there?

**MR. ORCHARD:** Mr. Speaker, that is a commitment made by myself and made by my honourable colleague, the Minister of Labour, and my

honourable colleague, the Minister of Health, for the duration of the strike in the Thompson Hospital.

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

**MR. COWAN:** Thank you, Mr. Speaker. I would ask the Minister if he is prepared to extend that commitment, and that by no means suggests that the MU-2 shouldn't be stationed there permanently, but if he is prepared to extend that commitment until such a time as Pacific Western Airlines sees fit to use that strip again because the strip conditions have been improved and not restricted to the length of the strike that is ongoing at the Thompson Hospital now?

**MR. ORCHARD:** Mr. Speaker, that decision will have to be made when the strike is over, based on information available and new facts available at that time.

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

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, I move, seconded by the Minister of Government Services, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of the bills for third reading.

**MOTION presented and carried,** and the House resolved itself into a Committee of the Whole, with the Honourable Member for Radisson in the Chair.

### COMMITTEE OF THE WHOLE HOUSE

**MR. CHAIRMAN, Abe Kovnats (Radisson):** This committee will come to order. Bill 75 is the matter under discussion at this point.

### BILL NO. 75 THE APPROPRIATION ACT, 1980

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

**MR. SIDNEY GREEN:** Mr. Chairman, we have heard a very lengthy speech this morning trying to justify —(Interjections)— Mr. Chairman, in approximately 1974, the people of Alberta had a bumper sticker printed which was very prominent in the province of Alberta. It was used throughout the province, Mr. Chairman, and the words were, "Let those eastern bastards freeze in the dark."

I want to tell the honourable members that when the people of Alberta —(Interjection)— Yes, Mr. Chairman, the people of Alberta, because I was in Alberta and I saw the bumper stickers, and they were very proud of those bumper stickers. I want to tell the citizens of this province, that when they were talking about those eastern bastards freezing in the dark, they were looking east to the people of the province of Manitoba. I want to say that, Mr. Chairman, because the First Minister, in a speech that had more jingoism than anything else, tried to identify the people of the province of Manitoba with

the people of the province of Alberta insofar as oil prices are concerned. Mr. Chairman, it has been said, and nowhere is it more applicable than in this particular debate, that patriotism is the last refuge of a scoundrel. I would presume that the word "scoundrel" is, Mr. Chairman, an unparliamentary word, so I cannot apply it, Mr. Chairman, except by the use of the quotation that the First Minister and the Minister of Finance, having no argument whatsoever to support their position, have degenerated, Mr. Chairman, towards waving a flag and pretending that flag flies with equal validity over the province of Alberta, the provinces of Saskatchewan and Manitoba. He didn't wave the Canadian flag, Mr. Chairman. He did not wave the Canadian flag. He pulled up the old chestnut that was waved most vigorously by the previous Member for Wolesey, the member Mr. Asper, who tried to have it that we in the west, Mr. Chairman, have as much reason for feeling alienation as the citizens of Quebec, and got up in what I think the First Minister of the then day, Mr. Schreyer, correctly described as veiled treason when talking about western alienation and what the west has to do in order to make its role in Canada. What the First Minister has done, Mr. Chairman, is used what has been used throughout the ages as an attempt to reconcile differences on an economic basis by pretending that there is some type of blood relationship which makes the economic relationship seem less valid.

Mr. Chairman, all over the world they got working men to fight working men on the basis of nationalism, because they knew that the interests of those working people crossed the boundaries and therefore, Mr. Chairman, in order to get them to kill each other, they lifted the blood of nationalism in order to justify, Mr. Chairman, what could not be justified.

Mr. Chairman, everybody knows except the First Minister that the differences in oil prices are not between the east and the west, there are between vendors and purchasers, Mr. Chairman, not between the east and the west. The fact that the Minister chooses the province of Ontario and does not choose the province of Quebec as being one of the groups who are concerned with the price of oil is very significant because the province of Quebec has supported the Lougheed position not because of self-sufficiency in oil but because they believe in a separate state and so does Mr. Lougheed.

Do you know, Mr. Chairman, and this is on the record . . . —(Interjection)— Mr. Chairman, I will deal with Mr. Blakeney but this is on the record — (Interjection)— yes, I will. Mr. Chairman, the only provincial Premier to send Rene Levesque a letter of congratulations and identification at the election of the Parti Quebecois in 1976 was the same Peter Lougheed. He said, Mr. Chairman, to Levesque, and I am now paraphrasing, that the things that have bothered the province of Quebec have also bothered the Premier of Alberta, who not only wants to be a Prime Minister, Mr. Chairman, but would like to have kingdom, and that all of his constitutional proposals, Mr. Chairman, can be read chapter and verse as echoing the secessionist positions that were taken by the United States southern states, Mr. Chairman, in 1856 to 1860 and indeed, Mr. Chairman, I believe that Mr. Lougheed uses those

speeches in order to put his constitutional position, because that's what he believes in.

What the First Minister would like to do, Mr. Chairman, because he has no position with respect to oil prices, except a position which is totally contrary to the interests of the people of Manitoba, he congratulates, Mr. Chairman, the Premier of Ontario, for doing what is in the interests of the people of Ontario, and, Mr. Chairman, I say that Mr. Lougheed and Mr. Blakeney do what they think is in the interests of the people of the province of Alberta, and which I think in the long run, but I admit that they have more right to speak than I do on these questions, that in the long run are not. But he, Mr. Chairman, has identified not with the people of the province of Manitoba but the people of Alberta.

Mr. Chairman, take one simple fact. I've explained, Mr. Chairman, when I came back from a federal-provincial conference and they said why are you opposing what Mr. Blakeney wants as an increase oil prices; isn't he your friend? I said, yes he is my friend, but when my friend wants to take 30 million out of the pockets of the people of the province of Manitoba and put them into the pockets of the province of Saskatchewan, I cease to identify him as my friend and have to identify with people of the province of Manitoba.

Mr. Chairman, what is the figure? If we went to world prices which was the original argument; if we went from the existing 14 to 38 or 39, the figure would be astronomical. But if we only went from 14 to around 20, which is what they are asking for, is it not correct that 60 million a year, Mr. Chairman, one percent of sales tax every year, would flow out of the province of Manitoba into the province of Saskatchewan and into the province of Alberta, and mostly into the province of Alberta?

Mr. Chairman, that is not so. Mr. Chairman, the fact is that Canada was producing two million barrels of oil a day and roughly, Mr. Chairman, using two million barrels of oil a day, I am saying "was". And what happened, Mr. Chairman, is we said that those that we sell we will sell for the world price, and it has always been sold for the world price; and the United States pays Canada the world price for the oil that goes out export and the amount that is collected, in terms of the export tax, is used to provide Canadians from coast to coast with a level of energy costs which is reasonable in accordance with what prices were being charged. And that is used, Mr. Chairman, to subsidize the oil that is bought. Mr. Chairman, that was the way in which the export tax originally was conceived and how it was used. The money that was collected on export taxes was used to provide a relatively stable price for the people throughout Canada and we still use it that way. We still sell oil on the export market at the higher price, so we are charging that price, and we still use moneys that come in from the export tax to subsidize the citizens who have to buy off-shore oil because — not because we were not self-sufficient in the amount of oil — but because some of the oil that we were producing was being sent out. And what could be more sensible than that the money that we got sending it out should be used to subsidize the cost of what is coming in.

Mr. Chairman, what has the Minister proposed? What has he proposed in suggesting that we are

looking for self-sufficiency in oil. Nothing — only that we wave an Alberta flag, Mr. Chairman.

If the Minister would have proposed something sensible saying that the west is a unit and that for the purpose of the west we require this; and if he would, Mr. Chairman, have shown his willingness to abdicate and say that for the purpose of making sure that Alberta and Saskatchewan oil, and the price of it, accrues to the benefit of the citizens of Manitoba, why did he not propose that there be the boundaries between Alberta and Saskatchewan, and Saskatchewan and Manitoba be broken down, and that the west, which he talks about as if it is one political and economic unit, be the provinces of Saskatchewan, Alberta and Manitoba.

Then at least, Mr. Chairman, what he is saying would have made some sense in terms of the money that is being used to pay for oil. Because, as it is now, when the people of Alberta, or when people in the province of Alberta, bought the bumper stickers and said let those eastern bastards freeze in the dark, that's the kind of attitude that prevailed in that province with regard to the price of oil and still prevails because it is stimulated by Premier Lougheed.

Do you know, Mr. Chairman, that in the past seven or eight years, over 5 billion has been paid by other citizens in Canada to the province of Alberta with the increased price of oil, for oil which did not have an increased cost of production and no increased labour costs. Mr. Chairman, that's a lot of money, but do you know how the Premier of Alberta deals with it? He doesn't say 5 billion was paid by the citizens east of the province of Manitoba into the province of Alberta; he says, I, Peter Lougheed and the people of Alberta, we haven't ripped you off for 5 billion, we have given you a subsidy of 7 billion. He runs around this country, Mr. Chairman, saying that you citizens of the province of Manitoba, you citizens of the province of Ontario, through the goodness of the hearts of the people of the province of Alberta who have taken 5 billion from you over the past or four or five years, have really not paid us anything; you have been given a subsidy of 7 billion because instead of getting 14 for that oil, we should have been getting 22 and 23.00.

Not only, Mr. Chairman, is there a price which is not — my honourable friend says that it is a price for self-sufficiency — it is not a self-sufficiency price. Nobody has ever demonstrated that to be a self-sufficiency price and nothing that Alberta has said, or that the province of Manitoba has said, gives one iota of self-sufficiency to the price of oil. None of that money is designated as an imperative to produce oil and to provide self-sufficiency. And when it is produced what's the difference, Mr. Chairman, if the price of oil goes up to 80 and we pay 40 to produce it, the next step will be to pay 80 for the oil. Self-sufficiency will not put us in any different position; if we are going to pay for the world price of oil, we could pay for it, and pay it to Kuwait, like the member says, and be no differently off, Mr. Chairman.

Now that's not entirely correct because, of course, there would be the revenues from the government and the revenues from those companies that happen to stay here, but there is not guarantee that the revenues from outside wouldn't come in here, Mr.

Chairman. So if you went to do it on that basis — (Interjection)— Mr. Chairman, that's what my honourable friend has dealt with at all times. In any event, my friend the Member for Pembina made a speech, Mr. Chairman, in this House, and said that when the price of oil goes up to 30 and we produce it at 30 and the rest of the world is selling it for 60, we will be self-sufficient and we will sell it for 30. That's what he said, Mr. Chairman, and it's the closing end of his remarks. If he could do it ten years from now when the price goes up to 60, and we could hold it to what my friend calls a hothouse price of 30, why can we not hold it to hothouse price of 15, when the price is selling for 30 and there is no increased cost of production.

Mr. Chairman, the member says it is not being produced. The oil that we are using now was selling for 2.75 a barrel. The oil that we are now paying for at 15 a barrel was produced at that cost. We are paying for it now. When the price goes up to 18.00, which my friend says we have to pay in order to get it produced, will be then get it free since we have already paid for it? If my honourable friend says that we are now paying for the barrel that's going to be produced five years from now; when it is produced, is it going to be sold for nothing? Because it it's not, Mr. Chairman, and I presume that it won't be, then Tommy Douglas best described this practice that is being foisted on the province of Manitoba better than anybody else could describe it: It is a pay now, pay later policy. That's what it is.

The Honourable the First Minister, with all his flag waving, saying that if we spend money in Alberta, they are going to be the benefactors and create industry and there is going to be a pendulum swing to the province of Manitoba, hasn't shown anything, Mr. Chairman, which would cause that to be the case. Therefore, when he gets up and says that Mr. Davis is very cleverly defending and looking after the interests of the province of Ontario, he is right. When people say that Mr. Lougheed is very cleverly defending and pursuing the interests of the province of Alberta and that Mr. Blakeney is doing the same for Saskatchewan, they could well be right. Certainly that's what they are doing.

What we want to know, Mr. Chairman, is who is cleverly and well representing the people of the province of Manitoba? I suggest to you, Mr. Chairman, nobody, nobody. That is what the Minister has left out of his remarks, the fact that he has identified, in the same old style that there used to be the identification, "What is good for General Motors is good for the people of the United States"; what my friend says is that what is good for Premier Lougheed is good for the people of the province of Manitoba. Mr. Chairman, that just won't wash.

Mr. Chairman, it happens to be that if one looked at the identity of interests in this case, that the citizens of the province of Manitoba are much more identified in their interests as purchasers with the province of Ontario, than they are identified with vendors, which the people in the province of Saskatchewan and the province of Alberta are. And I said that from the outset, Mr. Chairman, there is no flag which in this issue waves with equal benevolence over the people of the three prairie provinces, and that for the people of Alberta and the people of Saskatchewan, if they will have it, but the bumper

sticker originated in Alberta, the saying was, and my friend will have to realize it, "Let the eastern bastards freeze in the dark", and when they were looking east, Mr. Chairman, they were looking straight at the citizens of the province of Manitoba, whom they are asking to pay 60 million, 70 million, and 100 million a year out of the economy of the province of Manitoba into the province of Saskatchewan and Alberta. And my friend, the First Minister, says that is consistent with the interests of the people of the province of Manitoba.

Mr. Chairman, that will be his Achilles Heel. The Conservatives in Ottawa went to the people on the basis that they thought they could get through a budget providing for an 18-cent increase in gas, not for, Mr. Chairman, any purpose — and if it was for a purpose it would have got through — because the people will accept a tax which will provide them with something but this particular tax was to finance an ill-conceived, useless scheme of mortgage tax deductibility on mortgage documents, which would have helped the rich far more than the poor, and in the long run would have helped nobody.

Mr. Chairman, the Conservative government fell on that 18 cents. That was the basic issue upon which they lost the election, the basic issue upon which they government seems willing to commit suicide, which will come as no regret to most of the people on this side, Mr. Chairman, and I believe most of the people in the province of Manitoba, is trying to tell the people of the province of Manitoba that it is in their interest to pay 100 million a year out of this province into the coffers of the province of Saskatchewan and the province of Alberta. And more importantly, Mr. Chairman, into the hands of oil companies who are charging, not a self-sufficiency price, Mr. Chairman, but a cartel price which, if a couple of companies got together in Canada and decided that they would set prices in that way, then the law would say that they would go to jail. Now, the law would say it; they never do go to jail because they have long court cases, as the sugar company did, and fought them for years and years, and after it was all over they are acquitted. But the law says if people get together for that purpose, for the purpose of advancing a price and stifling competition, they are subject to fine or imprisonment. That's the price that we are talking about, Mr. Chairman. It is a price set by a criminal cartel. It is not a self-sufficiency price and nothing that the Conservative government is doing will see to it that there is self-sufficiency in oil, no matter what price is charged to them.

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

**MR. CHERNIACK:** Thank you, Mr. Chairperson. This morning we were treated to a full-fledged rhetorical discussion on behalf of the Conservative Party of Manitoba in the sense that I would term of a reactionary nature, harkening back, it seems to me, Mr. Chairman, to the days when there were big fights about tariffs, about maintaining your own protection with a tariff barrier. And now we hear the Leader of the Conservative Party speaking again with a sort of reactionary demonology which now includes in its description, not only Socialists but the Conservatives of Ontario, and Bill Davis in particular. That form of

demonology is part of the consideration given by the Conservative Party and its leader as to which dog's tail it wants to attach itself to.

Talk about short-term political advantage, Mr. Chairman, the leader of the government is clearly showing what side he wants to be on as he watches that pendulum swinging. He told us the pendulum is swinging from the east to the west. Can you see, Mr. Chairman, how the whole Conservative Party is building a pyramid, standing shoulder on shoulder, trying to grab onto the pendulum as it swings past Manitoba, because that's exactly the picture that I got from the First Minister, and that's what is happening; he told us that.

The only amusing thing is that one sees the Premier of Newfoundland, one of the poorest provinces, maybe the poorest province of Canada, trying his best to swing the pendulum somewhat in his direction with a promise of offshore oil and concurrently with his enactment — didn't he enact that Newfoundlanders get Newfoundland jobs and they don't want import labour. That's his attempt to pull the pendulum to him.

But the First Minister of Manitoba is indeed trying to grab hold of the tail, or that portion of the pendulum within reach, so that he can swing with it in a westerly direction.

Mr. Chairman, Manitoba, I believe, has always been just below average of Canada and I think that's a pretty healthy position to be in, because it has prevented Manitoba in the past from feeling that its interests are, like the Member for Inkster said, attached to that of General Motors or whatever, because the interest of Manitobans happily has always been the interest of Canada, because as Manitobans, to put it bluntly, as recipients of an equalization formula, Manitoba's need for Canada is greater than Canada's need for Manitoba, and so it should be, Mr. Chairman.

The First Minister talked about, "We must protect Manitoba, but Canadians first". Mr. Chairman, everything he said denies that. Everything he said, except the phrase, "Canada first", everything he said is, "We protect the parochial interests of Manitobans, and we have attached Manitoba's future and Manitoba's vested interest to the western provinces". But as the Member for Inkster pointed out, and I believe it's self-apparent, Manitoba is in the middle of Canada, Manitoba is not part of the western provinces in the sense of its economic future being that closely related to the west; and if it were, Mr. Chairman, I am glad, that Manitoba would still, I would like to think, take the position that it is concerned about Canada and not about the parochial interests of any part of Canada.

I know, in the demonology of all of us, and in particular now the reactionary demonology "that golden triangle of Ontario has too long controlled Canada", and it is time it was changed. Well, Mr. Chairman, I don't want to see that pendulum swing so quickly past us that we start talking about, and we are talking about, what do they call Lougheed? — the blue eyed sheik. Mr. Chairman, there is no reason in the world to say, Trudeau or Lougheed, and one or the other, we must go either way. And there's no reason in the world to say, Davis or Lougheed and we must pick our team. Mr. Chairman, Manitoba should be speaking on behalf of

Manitobans. When the First Minister says, why? There will come a time when someone will try to interfere with the export pricing of hydro — beware.

I have to remind the First Minister that the waters of the Hydro start way out in Alberta, at the divide between Alberta and B.C., and the waters of Manitoba Hydro stem from other provinces and it is only the fortuitous geographical circumstance of Manitoba that its waters empty into Churchill at the low level, so that the waters flow through Manitoba, and we therefore have cheap and renewable resources of energy. I stress the word renewable because we know that oil is not renewable and we know that the production of oil is one which is not in the hands of the public as is that of Manitoba's hydro power and that makes a big difference. Because, Mr. Chairman, regardless of the price, at which oil is sold, the moneys that come from the oil, being the difference between cost of production and sale price, are moneys that are controlled by a group that have not the interests of Manitoba at heart, that have not, to a large extent, the interests of Canada at heart, not even Alberta at heart but are that part of a large cartel which is controlled on a worldwide basis.

Mr. Chairman, I remember sitting with officers of one of the mining companies, well of International Nickel, and they were talking about further investment and further exploration for the minerals that they needed to use in their production, and the name New Caledonia and the name Manitoba, to them was just a choice of geography as to where they would plant their research dollars, their search dollars, and it was usually Canadian dollars that was going to be spent in New Caledonia or in Manitoba, or in Ontario or wherever. And to them it was just where do they get the best deal, that's all it was, Mr. Chairman, where do they get the best deal?

So where is the money going today, from the excess profits, the windfall profits of oil? Yes, they're going to Kuwait and they're going to the emirs of the other countries and they're going via the multi-nationals, you know, that's another demonology involved in the reactionary lexicon. In the multi-nationals, where is the exploration going on? In the North Sea, in places outside of Canada, of course, because it is where they get the best deal and where they can see the most profit is where the money goes and that is a legitimate enterprise on the part of those to whom has been given the power to use the oil extracted from Alberta, and to redistribute it in such a way as will redound to their best benefit.

Mr. Chairman, it is not who is Loughheed, and it is not who is Trudeau? It is the interests of the people that I am concerned about. I am concerned that the only government that can represent me, as a Manitoban, is the Manitoba government and a Canadian government, and I do not want that the governments of the other provinces of Canada should be able to say, in their discretion, whether or not what they will do will be of benefit to those provinces or to Canada and thus to Manitobans.

Mr. Chairman, we saw, and I was part of the meeting of Finance Ministers that were contesting with John Turner the decision to remove windfall oil prices from the equalization formula. And we fought it because we said that if Alberta benefits from these windfall increase profits, then indeed that should be

redistributed in Canada. And John Turner said, but we can't afford it, we in Canada cannot afford it because the money stays in Alberta and the money goes to the oil companies and we cannot, out of other revenue, other than oil, we cannot include it in the equalization formula to create greater equity and greater redistribution of the wealth of Canada amongst Canadians. And I understood his problem, Mr. Chairman, because the resources of Canada, large as they are, are still limited; and if the province of Alberta, and to a much lesser extent the province of Saskatchewan, control and manage the resources of those provinces, the natural resources of the oil industries, then they will retain the benefits to be derived therefrom from Canada, to prevent Canada to play its important role as the confederation of all provinces and in the interests of a greater form of equalization. And that to me is important, Mr. Chairman.

I have heard no one say that they want to freeze the price of gasoline at the pump, except the First Minister who didn't say he wanted to do it but claims he heard it said in this House. I did not hear that said. I heard that there was a thought that it should be related to the cost of production. I know the cost of production of old oil is a lot less than the cost of production of new oil, and I know also that the cost of exploration and the cost of production of the newest oil in the tar sands is great, but I do not believe, Mr. Chairman, that we should put ourselves in the hands of the international oil companies for them to decide how to develop the production of oil; and I do not think that we, as Manitobans, should put ourselves in the hands of anybody in the province of Alberta, be it Peter Loughheed or his successor, and let them decide what is good for Manitoba. That, Mr. Chairman, is what we should be concerned about in Manitoba; and that, Mr. Chairman, is the attack I want to make on the Manitoba Conservatives who, by watching that pendulum and assuming that it swings one way and the other way it cannot be controlled, because they happen to like the analogy of the physics of a pendulum, they refuse to fight for the battle of Manitoba.

Mr. Chairman, I repeat again, I think it is healthy not to be in the wealthier group; it is healthier not to be in the control group; it is healthier for the rest of Canadians that Manitoba is in a position where it is absolutely dependent on the rest of Canada. I think that we do more for the people, not only in Newfoundland with its short-sighted policies — and if ever I saw a short-sighted policy that was the one developed by the Conservatives of Newfoundland — Nova Scotia, Prince Edward Island, New Brunswick. Those are provinces that need a great deal more concern than does Manitoba, and I think that they have blindly followed a leader who is not a leader leading them in their interest. That's my concern, Mr. Chairman, and I do think that Manitoba need not swing all the way to Trudeau, which of course it wouldn't do and I don't want them to, nor all the way to Loughheed, and I don't want them to.

The members opposite say, well, which way do you want to go? Mr. Chairman, I want to go on the basis of discussing what is the way that Canadians can adapt to this crazy controlled pricing of oil. I think that it is important that we recognize that the policies

are made here in Canada and that the control of the distribution of oil is such that it is not there to the benefit of any one province. I think it should be done in a way that can be worked out. I think it must be done with relation to the cost of production but, most of all, whether the money leaves Canada to go to Kuwait or whether the money leaves Canada to go to some company which will carry out its exploration or its development outside of Canada, they are both wrong, they are both wrong, Mr. Chairman. And that, I think, is where the short-sighted Conservative policy is working to the detriment of Manitobans and that, to me, is a matter of serious concern. I believe we should reach for self-sufficiency. We should do so with the recognition that prices are going up and with the recognition that there must be greater incentive to conservation. I think we have agreed with that principle but what we do not agree to is that Alberta shall determine for us what shall be the oil policy for Canada. That, to me, is the important feature and I believe that the Conservative policy, as espoused by its leader and as a throw-back to what I call reactionary days, is blindly following another leader and not working on behalf of the people of Manitoba and the people of Canada, in general, and that I deplore.

It is not a bad thing for Canada that Bill Davis is finding out that where he represented the province that used to say: "We are contributors to the equalization and the redistribution of wealth, and we don't mind one bit", which is what he and his predecessor, John Robarts, used to say. That was magnanimous of them and they were sincere. Now they are in a position of realizing what was the situation then and what may be the situation in the future. Which ever way it swings, if it goes east or if it goes west, the people of Canada are not helped by that kind of attitude and one which the Manitoba Conservatives have accepted and one which the Manitoba Conservatives appear to believe is in the best interests of Manitobans. I tell them it is not, Mr. Chairman.

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

**MR. SAMUEL USKIW:** Mr. Chairman, one of the things that has not been alluded to by members who spoke in response to the First Minister is, of course, the windfall benefits that the Treasury of Manitoba would enjoy from those high oil prices that are now being asked for by our First Minister. Mr. Chairman, just recently we passed a tax measure in this House which gives the province of Manitoba a percentage, a 20 percent margin, on all new oil price increases. Mr. Chairman, we should recall the debate on that very bill because it was at that time that I had indicated to the Minister of Finance that this was the sleeper in his financial affairs for this province, as far as new taxation was concerned, and that this will inevitably result in huge financial windfalls to the province of Manitoba if, in fact, the Canadian government, along with the oil-producing provinces, agree to world oil prices or near world oil prices. That there was no other way, other than to assume that the province of Manitoba would add to the burden of Manitoba taxpayers by imposing an additional charge on them, not only the fact that the

oil price would increase dramatically but that there would be an additional tax added on each time the oil prices went up, Mr. Chairman.

So that, contradictory to their position, or at least their posturing with respect to how to hold down spending in order to hold down inflation, the fact of the matter is all of these things are pushing inflation more and more and is the main problem in the western world insofar as inflation is concerned, Mr. Chairman.

Mr. Chairman, we do not accept that the First Minister is somehow just wanting to align himself with Lougheed in Alberta, but rather that he has looked at the figures and has done some calculations as to what a world oil price would do for his treasury here in Manitoba if he could reach that stage fairly soon.

Mr. Chairman, the fact of the matter is that there is no truth in the fact that high oil prices have something to do with self-sufficiency, unless there is absolute control of the oil industry; unless there is absolute control as to where the revenues from higher oil prices are going to be channeled and as to whether they are going to be channeled into new oil finds, Mr. Chairman, or whether they are going to be siphoned away by oil companies for other things, such as real estate, such as mining, a whole host of other investment opportunities that are available to them.

There is no guarantee, Mr. Chairman, that a higher oil price is going to find its way into more wells being developed or, it's not true, Mr. Chairman, that the oil companies cannot siphon off half, three-quarters or all of their new profits right out of the oil industry and into other ventures.

So the First Minister today talks about the need for higher oil prices and tries to link that up somehow with the fact that we will be served well in the future with an abundant supply of oil, if we are only prepared to pay for new research, new development, new exploration. Well, Mr. Chairman, there is not one iota of truth in that.

Now, Mr. Chairman, if we had a Canadian oil monopoly operated by the people of Canada for the people of Canada then, Mr. Chairman, we would have at least a handle, no matter what the price was. We would have a handle on the pricing of oil; we would have a handle on the exploration of it, on where the profits of that oil would go, and how that would relate to self-sufficiency. We don't have that, and we don't expect it from Conservative governments, Mr. Chairman, but it seems to me that the minimum that a Conservative government would advocate would be at least to have a measure of control on where those new revenues are to be spent and for what purpose. At least there should be accountability as to whether there is a need for those price increases if it's supposed to be related to self-sufficiency, Mr. Chairman. Maybe there ought to be a cost of production formula that would benchmark at what price oil can be produced and what has to flow into new energy projects and new exploration programs.

But, Mr. Chairman, we are supposed to accept those things as a given. We are supposed to accept the fact that oil companies in the last number of years, the last few years, have generated profits on top of profits in the extreme, Mr. Chairman.

Percentage increases in profit taking by oil companies have been horrendous over the last couple of years, Mr. Chairman. How are we to be satisfied that those profits are indeed needed in order to generate greater supplies for the longer term; how can we be satisfied that the oil industry isn't channeling those dollars into other ventures that are totally unrelated to the needs of the Canadian people with respect to oil supply in the future? None of those things are in place and yet we are supposed to debate this as if this Legislature and this parliament in Canada, the Parliament of Canada, have some say in what happens to all those revenues, Mr. Chairman. The fact is they don't have a say as to the major part of those new revenues, other than what is siphoned off by taxation. They don't have a say, and so the whole argument is absurd, the whole argument, Mr. Chairman, is a sham. There is no connection whatever between our alignment with Saskatchewan and with Alberta on oil price increases as somehow having to serve the best interests of Manitobans in the years ahead.

As a matter of fact a case can be very well made that Manitoba happens to find itself on the other side of the ledger as a consuming, importing province who cannot afford to align itself with those who wish to extract every penny out of the Canadian people in new oil prices and new profits and additional profits, Mr. Chairman.

The First Minister alluded to the fact that there will be a shift of industry from eastern Canada westward, that there's going to be a tremendous surge, movement of factories and people from Ontario — he didn't mention Quebec but I presume he means Quebec, as well — into western Canadian provinces because of the oil question. Mr. Chairman, if you look at Manitoba's position, even if he was correct about this huge out-migration of people from Ontario to Saskatchewan or Alberta or British Columbia, the most he can claim out of this whole business is that we might have to build a few more hotel rooms in Winnipeg in order to sleep them over on their way west. This is the sum total of the spinoff effects of that, Mr. Chairman. And to somehow suggest that if we can get that oil price right up to world levels that will find its way into Manitoba's economy as an advantage, while costing the people of Manitoba hundreds of millions of dollars in additional oil charges per annum, Mr. Chairman, I don't believe that a case can be made. The Premier hasn't made the case on that argument and neither has the Minister of Finance or anyone else on that side.

So, Mr. Chairman, I, for one, cannot accept that Manitoba has an interest in lining up with Premier Lougheed on Canadian oil policy for one moment, and I'm prepared to fight that position.

Mr. Chairman, the Minister of Finance is in his seat and I would like to pursue a number of other things, and perhaps he might want to acquaint himself with his most recent report, the preliminary financial report for the end of the last fiscal year, in which case, we end up the year with a deficit of some 45 million, Mr. Chairman. I would like to ask the Minister of Finance whether or not he would agree with me that if it had not been for a very substantial increase in equalization payments of some 138 million over the year before, whether or not Manitoba would have

not have ended up the fiscal year with a deficit of 153 million?

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

**MR. A. R. (Pete) ADAM:** Mr. Chairman, in listening to the Minister this morning, the First Minister, it is obvious, is desperately grasping for an issue. — (Interjection)— My colleague says he is looking for a life jacket. He is looking for an issue, an issue to go to the people in the next election. Also, Mr. Chairman, he wants to cover up the failures of the performance of this government in the past three years.

The First Minister, when he arose in his place this morning, said he was reacting to the comments made by my leader and the comments made by the Member for Brandon East. Mr. Chairman, it was obvious that the Premier has been preparing and mulling over this speech for several weeks. He was mulling over his comments for today and regardless of whether my leader had spoken on energy, or the Member for Brandon East, the First Minister would have made the same speech that he did, because he is desperately searching for an issue to cloud up what's happening in Manitoba, Mr. Chairman. And what better issues to go to the people with, as confrontations with Ottawa; what better issues to go to the people on, on the Constitution, Mr. Chairman. That is all the First Minister has left and that is all this government has; it has nothing else. Because, Mr. Chairman, he has seen the results the same as I have and everybody else in the province, the results of the past two federal elections. Mr. Chairman, he has also been reading some polls. He has been looking at some polls that have been taken in the province of Manitoba. Mr. Chairman, there have been a number of polls and I know that the government is concerned about the results of these polls.

Mr. Chairman, you know the First Minister was trying to make the point that New Democrats were somehow siding, taking sides; taking sides with the federal government; taking sides with the Trudeau government — he never says the federal government, he always says Trudeau. He never says the Liberal government, he says the Trudeau government and the NDP, bedfellows, he says. Mr. Chairman, I believe it was only last week that there were bedfellows in Ottawa on a recorded vote on the construction of a pipeline in Alberta, whether that should proceed or not, without any guarantees that the balance of the line would be constructed or that there would be any tradeoffs. Who were the bedfellows? There was a recorded vote last week in Ottawa on that particular issue. Who were the bedfellows? The Conservatives and the Liberals, Mr. Chairman; those were the bedfellows, Mr. Chairman. They are the bedfellows, Mr. Chairman.

Let not the First Minister come in this House and start talking about bedfellows. They showed their colours; they showed their true colours in Ottawa last week. The First Minister has already forgotten that, Mr. Chairman. He has already forgotten that. When the chips are down in Ottawa it doesn't take long to find out who are the bedfellows, Mr. Chairman.

Mr. Chairman, in my opinion, as I mentioned, the Minister is looking for an issue to try and divert the people of Manitoba. He knows that the people of Manitoba are upset with this government. He has read the polls, and he doesn't like what he read and he wants to divert the attention of the people of Manitoba on the performance of this government, and he is looking for larger issues and he is going to be a big hero when the next conference is held. He is going to try and take the stage away from all the other Premiers, and that is what he is going to do. He is going to take the same tactic as the government of Alberta when they had their provincial election. They want a mandate to deal with Ottawa, and that is the same tactic that was used by Bill Bennett in the last provincial election, they want a mandate to deal with Ottawa, and that's what this government is trying to do, because that's the only thing that they can fall back on because they have nothing else to fall back on.

But the weakness of the argument that was put forth this morning is that the Minister, in committee, the Minister responsible for energy in committee, I posed two questions to him, Mr. Chairman. Could he assure me, could he assure the committee that the money that we're going to have to pay out for increased energy costs, could he assure me that would give us self-sufficiency? The answer was no, I cannot give you that assurance. My second question was to the Minister: Can you assure me that if we pay out this money to the oil companies that money will be used to find oil? He said no. That's it in a nutshell, Mr. Chairman. That is the answer: Two noes. No, they will not find oil, he cannot guarantee it; no, he cannot guarantee that the money that the Canadian people are now being asked to put up will be used for that purpose or whether it be spent. I said I would be happy if he could at least assure me that the funds that we are being asked to put up at the present time will be spent in Canada; and the answer was no, Mr. Chairman.

We have seen what has happened in the past in that the oil companies will not spend that money to find oil. Oh yes, they will look for dribbles of oil and they might find a little puddle here and there. They will spend money in other countries, Mr. Chairman, because it makes no difference to Imperial Oil whether they pay Imperial Oil in some other country or whether we pay Imperial Oil in Alberta or wherever they are; it makes no difference to Canadians. And the First Minister says, what country? What country subsidizes their consumers on the price of oil? Well, Venezuela does, Mr. Chairman; Venezuela does have a lower price for their citizens than do their export prices.

Mr. Chairman, the First Minister is trying to, I would say, divide Canada today. He said there are sides to this issue, there are two sides, and he put the proposal to us that we had to take one side or the other. I say, Mr. Chairman, there must be a Manitoba side. It does not necessarily follow that we have to have a confrontation with the federal government or that we have to side with Alberta. There has to be a Manitoba side, but the Minister has not come out with that Manitoba side, Mr. Chairman. I suggest to you that his speech this morning was inflammatory for the cause of unity in this country. It is an inflammatory speech and it is a

speech of a desperate man, a desperate government that has run out of steam, that has mismanaged this province for the last three years, that got us into debt to about 1,100 more than we were three years ago, and a dismal performance in the last three years. It's a desperate Minister who stood up this morning and was trying somehow to extricate himself from the mire that he has dug himself in.

For a moment, when I listened to the First Minister, I said, well is it possible that I am in the House of Commons in London, England, listening to Mrs. Thatcher making a speech? Mr. Chairman, what we heard this morning was Thatcherism, and the disaster that she has created for her own country and the disaster that is going to happen here; that is what we heard this morning. Of course, we know that Mrs. Thatcher is not going to be there very long, the business community there is even turning against her because it doesn't work, it will not work; it hasn't worked in the past and will not work in the future.

Mr. Chairman, where are the profits going on the price of oil today, where are they going? We are selling oil that, well, the Member for Inkster said is 3.00 oil that we're now getting 15.00 a barrel for. There is a profit of 12.00 a barrel at the present time on the oil that is on stream now. In fact, there are wells that have been drilled 30 years ago that have never been opened, they are still capped; oil that was brought in at 2.75 a barrel. Are we going to go and tap that oil and sell it at 35.00 a barrel, Mr. Chairman, or 50.00, or 60.00?

Mr. Chairman, I got a report just recently from a Czar, Czar Incorporated or Czar Petroleum, or whatever they call themselves. It's a junior company, and they assess their reserves a couple of years down the road at 60.00 a barrel, their oil reserves. There is no stopping at 50.00 or 35.00 dollars, you people there are deluding yourselves. They are asking us to invest in Czar Petroleum, in drilling funds; not to drill in Canada, Mr. Chairman, they want to drill down in the United States and in other countries. In 1979, oil companies have invested, I believe it was 300 million dollars, and that's only two companies Mr. Chairman. I only speak for two companies. Two multi-nationals in Canada last year spent 300 million. They sent 300 million back to the United States to do some exploration in the United States.

Mr. Chairman, the Canadian public is being creamed; we are being creamed with the support of this Premier and this government. We are being creamed, and good, so that corporations can go down and explore in other countries. You are still going to have to pay for the oil, because if it's found in the United States it will be a deal between Imperial Oil and Exxon, Standard Oil and so on, and Gulf and Texaco, Gulf U.S. and Gulf Canada. So we will be still importing the oil. It will be bought with your money and our money, and Canadian money, farmers money, fishermen's money, the travelling public's money. Mr. Chairman, that is what is happening. That is the scenario that is happening right now; that is what is taking place. It's the biggest swindle in the history of this country that is being perpetrated with the support and condolences of this government and that First Minister. That is what is happening.

Mr. Chairman, what is going to happen is that all this money that we are being asked to pay out to the multi-national oil companies now is not to find oil, Mr. Chairman, where will that money go? Well, Mr. Chairman, it will go to buy up coal reserves, uranium reserves. Mr. Chairman, I believe it is 1.8 billion last year, in 1979, was used to buy up other sources of energy, non-petroleum energy. That is what is happening. The multi-national corporations are gobbling up the next set of energy resources. That is what the money is being used for. The bulk of it will be used to buy up the next set of resources. This money will be taken out of the pockets of Canadians; gouged out of the farmers; gouged out of the fishermen; gouged out of everybody; gouged out of industry; gouged out of the homeowner who has to heat his oil. Mr. Chairman, a few years down the road, when we finally realize that we no longer have any oil and we have to go and move to another source of energy, we will find out that these guys own it and that they bought it with our money. They bought it with our money, and I say that if we are to pay for it in the first place we ought to develop those resources in such a manner that we'll own them and that we don't have to pay for them twice.

I submit to you that is the scenario that is taking place, Mr. Chairman, and it's unacceptable to us, it's unacceptable to the people of Manitoba and it's unacceptable to the people of Canada. There is absolutely no reason.

The Premier is wrong when he says that there is no country that will shelter their citizens. That is incorrect, Mr. Chairman. The price at the pump in Venezuela is about 35 cents a gallon, Mr. Chairman. They are protecting their citizens, not their export. They're bleeding us, Mr. Chairman, to subsidize their . . . Mr. Chairman, we do not accept the position that this government takes. They have not given us one item, or not even one iota of proof, not one iota of proof has been given, either by the Minister responsible for energy or the First Minister, that paying the world price for oil will give us, somehow, self-sufficiency. In some way, he has hinted, he has given us a hint of what is going to happen, because he mentioned the United States.

The only self-sufficiency that they envisage is that they want to put the price of oil high enough so that a large percentage of the motoring public will have to turn to bicycles; that is what they would like to see. They want the people to start driving cars. They want the person who has to drive 20 miles to get to a factory job in Toronto, through no fault of his own the factory plant is built outside of Toronto, they want that fellow to somehow get on a bicycle and ride to his work. That is what they want, Mr. Speaker. They want the lower income people to get rid of their cars, get rid of their automobiles, that's what they want. Just let those people who can afford to pay 2.00 or 3.00 a gallon, let them drive, let them drive. That is what this government would like to see. They want to remove a large percentage of the public from driving automobiles. Then we will become self-sufficient. If you can't afford to buy it, you won't use it; you will stay home. You don't have to go to work. You could take a bicycle and drive to work. That's what they want and it's unacceptable, absolutely and totally unacceptable.

Mr. Chairman, I could dwell on this for some time, but a lot of it has been covered by some of my colleagues. But a couple of days ago, Mr. Speaker, I asked the Minister if he could advise if they had contacted Ottawa in regard to a study that had been made on the entire oil industry and the Minister, in his reply, said that he was unaware of what study I was speaking of, and that unless he could have more information there was nothing he could do about this. Well, Mr. Chairman, I can't guarantee that there was a study made but I did attend a convention in Ottawa last March, I believe it was. One of the speakers at this convention was none other than Tommy Douglas, one of the speakers, along with some other people. I think Mr. Mazankowski was there. Mr. Douglas referred to a study on the oil industry that had been made by the previous Liberal government and that study had been tabled or brought back, had been given back to the government just shortly before the election, the election that elected the Clark administration. They had been pressing the Clark government to table this report, but I suspect, Mr. Chairman, that report has not been tabled to date, as far as I know, and I suspect, Mr. Chairman, that it is a scathing condemnation of the oil industry and how oil is developed in this country.

Mr. Chairman, I don't mind paying for oil; I don't mind paying for oil if we, as people collectively, through a Crown corporation, are going to buy up those coal reserves and those uranium reserves and that we're going to develop the resources for the benefit of the people and not for multi-nationals, Mr. Chairman.

Mr. Chairman, the present policy will create serious problems down the road for Canada, and Canada stands to lose heavily to foreigners in any increase in oil prices towards world level. We will be transferring billions of dollars out of Canada. We will transfer billions of dollars in dividends and oil companies will be embarrassed. They will be embarrassed to have to transfer billions of dollars in dividends to parent companies in the states. In fact, it will be so great that it will be throwing our balance of payments out of kilter, Mr. Chairman. They will either be required to make these massive payments to the parent companies or else they have to invest those profits into non-petroleum resources or companies, and they will be diverting the petro dollars, the petro profits, the money that you and I will have to pay for higher increases, they will be buying up other industry. In fact, one oil company bought into a circus last year in the United States, a Canadian company.

Now, this is the scenario that we're watching; this is the scenario that is taking place. And, Mr. Chairman, this government supports that kind of policy and I want to go on the record that I do not support that our farmers are going to be gouged by the policies of this government; the fishermen of this province are going to be gouged by the policies of this government; and the general public, the travelling public will be gouged by the policies of this government; I don't intend to support that position whatsoever, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. J.R. (Bud) BOYCE:** Mr. Chairman, I can assure the Member for Brandon West that I haven't got a handle on it, I don't know if my colleague from Ste. Rose has or not, but that isn't the point. We were hopeful in the three-quarters of an hour presentation the First Minister gave us this morning that we would find some glimmer of light that the government had a handle on it.

If my colleagues opposite won't listen to us, listen to the model that your First Minister has established in his speech this morning. Premier Lougheed, himself, in opening the Legislative Assembly in Alberta this spring said, and it's on the Hansard of that province, he told the private corporations, bring your investment capital; don't bring your debt capital, bring up investment capital. We expect you to reinvest your profits in the province of Alberta and, if you don't we will look at our tax structures. That is not the saying of a New Democratic Party; that is Premier Lougheed himself.

We have heard much about the Heritage Fund. For gosh sakes, wouldn't it be much better if we had a Canadian Heritage Fund, rather than an Alberta Heritage Fund or a Saskatchewan Heritage Fund? We are at a very important crossroads in our history, Mr. Chairman, and all we are asking on this side is you pause and think. Think of some of the mistakes that have been made in our negotiations at this level, in this magnitude. All we have to do is look at our own history in the city of Winnipeg, where 125 ratepayers, because they were the only people who had the power to vote at the time, negotiated with the CPR tax exemptions in perpetuity to get them to move that line from where Selkirk is today to where Winnipeg is. (Interjection)— Into the floodlands, right. But all of the ramifications of it. And if they had said at the time that all of these things that they gave the CPR, all the mineral rights, all the moneys which you get for this right to build a railway across the country, will be reinvested by those people that give you the right in the first place. That's what we're talking about from this side and that's what the Member for Lac du Bonnet mentioned, 1.8 billion already has gone into industries outside of energy by these corporations. What did Mr. Lougheed say? If you don't reinvest your money in Alberta we'll look at our tax structures. Why, in heavens name, Mr. Chairman, can't we learn from the mistakes of history? Because it has been said that those people who are unfamiliar with them are doomed to repeat them, and here we are again.

The First Minister thinks he has an election issue. I think he has got an election issue, to the benefit of this side because I don't think the people of Manitoba will fail to see through what he is doing. He is negotiating away our immediate situation and putting generation after generation into hock, Mr. Chairman. As the Member for Ste. Rose said, 60 a barrel they're taking in inventory in two years. So I, for one, was most disappointed in listening to the First Minister's rhetoric and poemics in this regard, because he didn't say one word — and I was listening attentively — of what he was doing to negotiate to protect the interests of Manitobans, today and in the future; not one word. The idea of, you know, pay now and pay later, well the former First Minister used the expression, "it boggles my mind". It does boggle my mind how those people

opposite can sit and applaud the man when he talks the way he did, that he's giving everything away to Alberta and Saskatchewan, or anybody else that has oil; and he says, well wouldn't you rather have the money in Alberta's pocket, than Kuwait, or somewhere else. What he's proposing is not going to stop it because they take it out in another route. I'm no economist and they'd never make me a Minister of Energy or the Finance Minister, praise the Lord, but nevertheless as an average person I can see how the cash flows out of this country. And they're compounding it by supporting the position that they are.

So, Mr. Chairman, until the First Minister starts standing up and negotiating with it at this level, or whoever is the Minister of Energy — I don't know who is responsible for the negotiations because it was the First Minister himself who stated the government's position. But unless the Minister responsible for energy in the province, or the First Minister himself or the Conservative party en masse, starts telling people that we're going to negotiate at the federal level, relative to energy in the future, in the interests of Manitobans now, and in the future, and we're going to support policies which will put in place a control on the moneys which are generated so that they will be reinvested in energy. The idea to come out with a nice catch-phrase and say that Canada has to strive for self-sufficiency; excellent. All we're asking is that you build into it some guarantee that this will occur; some guarantee that it will occur.

If they're taking 2.75 a barrel oil and selling it presently for 14.50, and they're going to take it up to 60, what is going to happen to that money? Is it going to accrue to a relatively few number who own stocks and shares in those particular companies or is it going to flow out of the country under the aegis of the multi-nationals once more. This is what we, as citizens, are asking, and I don't think that the needs of people in Winnipeg Centre is any different than anybody else in the province of Manitoba, we're all consumers as far as oil is concerned. I understand that the stuff we produce in Virden is a low grade of oil so we, in Manitoba, are all consumers.

So, for heavens sake, Mr. Chairman, it is only reasonable that we expect this government, because nobody has told me that we haven't got responsible government. These people were elected to discharge that responsibility for all of us, including us on this side, so if they wonder why we dig in our heels, we want them to do their job. They're responsible for negotiating a position in the interests of all Manitobans and we're asking them to ensure that the moneys which are being accrued, whether they are being accrued to Alberta Heritage Fund, or the Saskatchewan Heritage Fund, or the Canada Heritage Fund, or Texaco or anybody else, that this money is, in fact, being represented. Because we're being sold a bill of goods, that we're all striving for self-sufficiency. So if that is the case then for gosh sakes build in something in the negotiation that guarantees it.

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

**MR. CRAIK:** Mr. Chairman, we have heard a very interesting hodge-podge or grab bag full of

comments with regard to the energy policies of the province. Mr. Chairman, the Premier this morning presented what has been consistently this government's energy policy. It was stated extremely clearly at the national First Minister's convention in 1979 and, Mr. Chairman, looks even more solid policy basis with the events that have taken place since.

What we have from across the way is a demonstration of how bereft the Opposition in the province of Manitoba is of an energy policy. We heard, four, if you include the Member for Inkster twice this morning, five, six seven. Seven speeches now. All of them are different, none of them have given an energy policy by the Opposition, the thing that keeps coming out of it is what the First Minister here has referred to as institutionalized envy. They keep coming back to it, they have still not to come to grips with developing themselves an energy policy. They've told us what they're against; they haven't told us what they're for.

Mr. Chairman, maybe one of these days, after they've had enough chance to give another seven dissertations on the subject, they'll go into a back room someplace. Hopefully, when they do, they'll take somebody in their party that maybe is taking on a little different perspective, in the name of Tommy Douglas, who can now maybe see himself in a little more rational position of telling the members opposite what the facts of life are regarding energy in Canada. Obviously, Mr. Douglas, has seen to the fact that it takes more than a doctrinaire position to bring about energy developments in Canada, by himself recognizing the role of the private sector in this total picture. But the members opposite keep coming back, they find no difficulty in Canada exporting 2.5 to 3 billion a year out of Canada, directly, for the purchase of offshore oil. Venezuela, all the other countries that are selling to Canada, it doesn't bother the members across the way at all, not at all. They're so hung up that a multi-national might make a profit on this thing that they can't see the total picture. There was only one allusion that I heard across the way, grudgingly, in all those speeches that have been given today, that made reference that they too supported self-sufficiency. It finally came out grudgingly. The members opposite, if its self-sufficiency it comes out way down the line sort of as a, you know, well we've got to say that too. But having said it, they don't say how they're going to do it.

Mr. Chairman, they are bereft of an energy policy. I challenge them to come up with a clear-cut avenue that they would follow to try and protect the interests of Canadians and the interests of Manitobans, both. They haven't done that. They keep repeatedly saying what they are against, they won't say what they are for. They've got all sorts of things they can punch away at; they pick a name out, they don't like the Premier of Alberta, so one single one they can pick out, he's the greatest target, of course. They pick out all the old punching bags that they can find, set them up and wham away at them. They allude to the fact that they too believe in self-sufficiency but they haven't laid out a policy where Canadian interests are protected. And the thing is that it is all there for Canada to do and it isn't that difficult an achievement. The only thing that makes it difficult is

the mixed-up sort of opposition-characterized approach that is coming out that they're stuck with. No solutions, just attacks, just what they're against not what they're for, not a policy of how they would intend Canada or Manitoba to get there and in the final analysis be protected.

So, Mr. Chairman, let's finish it off. The most telling comment and observation that can be made out of all the seven contributions that were made is that the institutionalized envy is just as deep now as it ever was before and until they get over that, until they start seeing that there's more to it than their straight doctrinaire approach, they're not going to come up with a policy that's going to wash with the public of Manitoba either.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, we just had an example of their abdication of their responsibility for them having a policy. Because every member that spoke on this side criticized an aspect of their policy. If they want a policy from this side, I suggest that your First Minister call an election today and they'll have a policy and they'll implement that policy. All we have to deal with, at this point in time, Mr. Chairman, is three years of this government's attitude, of how they negotiate on behalf of the citizens of the province of Manitoba. They were left with a heritage, with Tantalum Mines, that for 25 percent that we bought, we had an option on another 50 percent, but their attitude is they just flip it away to the private sector. If they think that this policy, this self-sufficiency policy, that their contribution to it is going to ensure that, it is not. It is not, Mr. Chairman. Let Alberta, who has been in the vanguard putting forth this policy, take their Heritage Fund and put a pipeline from Montreal down to Newfoundland at no interest.

When the Member for Inkster got into the pay now and pay later, that's just exactly what we're talking about. If we're moving toward self-sufficiency and all of these steps are supposed to implement that policy, show us how? Because when you give it over to the private sector entirely, as the Member for Lac du Bonnet pointed out in his criticism of your policy, not the helping of you establish one; if you want help we'll help you. But nevertheless, your present policy has allowed 1.8 billion to be transferred out of energy into other areas in the economy the same way, and I tried to show briefly the case, what the CPR did with transferring their profits into hotels and real estate and everything else that you can imagine, rather than the operation of a railway which was their first mandate. So if we're coming around once again in history and using exactly in the same way, Mr. Chairman, in my mind, the same type of negotiations which sold the city of Winnipeg into perpetuity tax forgiveness with the CPR, this is the same thing that this government is doing with energy.

We're asking, on behalf of the people of the province of Manitoba, a guarantee that the moneys which are being accrued and increasing expediently the amounts are not being directed by any government into self-sufficiency for Canada. They're accruing to the Heritage Fund in Alberta who will lend this money out — in fact, I think they lent

Newfoundland some money at a relatively high interest rate. Sure they'll lend that money out, but that's not taking the price increase and moving this country toward self-sufficiency, that's strictly in the interest of the province of Alberta and it's strictly in the interest of the province of Saskatchewan. We're asking this government to accept their responsibility to build into these negotiations a guarantee on behalf of the province of Manitoba, who will be paying these higher prices, that those moneys are being directed toward self-sufficiency. And they can abdicate their responsibility as much as they would — I wish they'd abdicate the government and then the people of the province of Manitoba would have a chance to vote on it.

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

**MR. ADAM:** I didn't want the comments of the Minister responsible for Energy to go unchallenged because he says that the government has a policy. I say they do not have a policy. I asked the Minister two questions in committee; can he guarantee that the increased price of oil will provide self-sufficiency? And he said, no; a simple answer no. I said, can you guarantee that the money that we're giving over to the corporations will be used to develop and explore for oil? He said, no. And that in a nutshell is the issue here. But the First Minister is trying to create an issue for an election and that is confrontation with Ottawa and he has nothing to go to the people with and he's desperate, a drowning man trying to look for a lifebelt.

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

**MR. PAWLEY:** Mr. Chairman, I would like to just add a word or two to that which has already been said, in particular, reference to the devious reasoning that we've heard from the Minister of Finance. Mr. Chairman, what we have from the Minister of Finance is some strange quirk of reasoning to the effect that if you do not agree with the demands of the province of Alberta, and the First Minister, as well, adopted this position, if you do not, in some way or form, concur with the demands that are being made by Lougheed of Alberta, that the price of crude oil be increased to 37 and some cents per barrel, then indeed, we are opposed to self-sufficiency.

Mr. Chairman, the self-sufficiency is not to be equated with Alberta demands. Self-sufficiency comes about as a result of pricing structure, though that is minimal, but basically is a result of exploration due to other measures that are undertaken by way of conservation, alternatives to the use of oil by way of energy resources that we have, non-renewable energy resources. There is a wide area of policy and development that can contribute, Mr. Chairman, toward self-sufficiency. And what I disagree with, and the Opposition disagree with sharply, is the simplistic type of rhetoric which we hear from across the way that self-sufficiency is to be equated with Alberta, that because Alberta is demanding prices near world level, then if you oppose what Alberta is demanding, then in some way, shape or form we're not speaking in the national interest.

Mr. Chairman, their thinking is unsound; their thinking is cock-eyed; their thinking is not in the interest, you know, the First Minister made a great stance this morning about the interests of Manitobans are not the interests of Ontario. Mr. Chairman, by way of conclusion I want to say to the First Minister, certainly the interests of Alberta are not necessarily the interests of Manitoba. And the First Minister and the Minister of Finance are not serving Manitobans well when all that the First Minister and the Minister of Finance can do is to parrot the position of the government of the province of Alberta in the discussions that are under way.

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

**MRS. WESTBURY:** No, if you're going to speak on energy, you go.

**MR. CHAIRMAN:** The Member for Inkster.

**MR. GREEN:** I thank the Member for Fort Rouge and I'll try not to abuse the privilege that she's given me. The Minister of Finance has said there has been nothing proposed, that it had been proposed time after time. Mr. Chairman, that is false. Mr. Chairman, that is false and just to restate it, the member, first of all, can look at the documentation that went from the New Democratic Party government to Ottawa when these things were being discussed in the past. We said that there should be a price to Canadians based on oil being a public utility and having some resemblance, Mr. Chairman, to the cost of production, plus the amount that is necessary to provide a return on investment; that the price for oil that we export out of the country be the world price; that the amount that we make on the world price be used to subsidize those Canadians who have to buy their oil offshore. And that we, Mr. Chairman, pay for new oil, continually, on the basis of what it costs to produce it.

Now that's the policy, Mr. Chairman, and you know what, Mr. Chairman, the members over there have the policy; the members over there have the policy. Last week they introduced into a bill The Milk Act, and they said that this is what the milk producer should get, cost of production, reasonable return on investment. What's good enough for the milk producers is good enough for the oil companies, Mr. Chairman, and we'll have to pay for the new oil as and when they produce it.

Now, Mr. Chairman, it has trade-offs, it does have trade-offs. Once you decide that you are going to be of your own with regard to oil, you have to accept the day that some day oil will be more expensive inshore than offshore. And if you've gone ahead and produced the money and spent that oil, then the Canadian people will have to buy that inshore oil, even though it may be more expensive than what they cost to get it elsewhere, unless they decide to get it elsewhere until its depleted elsewhere and until the price goes up and then start using it inshore again, but nothing happens one way. But Mr. Chairman, you said, they all said, cost of production. They put it into a bill, they said there will be a formula. We have said, Mr. Chairman, and what I'm saying now is not new, I'm not presenting a new policy. This was the position of the New Democratic

Party government when we were — I shouldn't say we — when somebody was representing the interests of the people of the province of Manitoba with regard to oil prices, in the same way as somebody is representing the people of Ontario, somebody is representing the people of Saskatchewan, somebody is representing the people of Alberta but nobody is now representing the interests of the people of the province of Manitoba.

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

**MR. CRAIK:** Mr. Chairman, I really just wanted to ask a rhetorical question as to whether or not, if the argument presented was at one time the policy of the NDP, whether it is still the policy of the NDP? It was said by the Member for Inkster, I don't know the policy of the present NDP party. Secondly, that with that policy, which isn't a bad one providing your exports are equal to your imports you can at least break even, what does the member now proposing that policy do when the exports fall short of the imports to the extent that it costs the country 2 billion to 3 billion a year to pay the deficit? Are we now suggesting that, despite the fact that the whole scene has changed, which evolved at the time when we were essentially self-sufficient, now that we are in deficit by some 20 percent, on our crude oil supply, are they not going to change their policy? Are we to now assume that they still have the same policy and that they're going to pick up the 2 billion and 3 billion out of the taxpayer's pocket otherwise?

**MR. GREEN:** Mr. Chairman, the Honourable Minister doesn't have any imagination, and he has to ask these questions. And I notice, Mr. Chairman, that the government, who came to this House, in the Throne Speech, and said we need your help. I thought the Minister was really patronizing, but, Mr. Chairman, they have been vitally in need of help from somewhere. They have been vitally in need of help. It wasn't a patronizing question. It wasn't a rhetorical question, they put a bill in the other day, apparently which 37 amendments came from the Opposition, 37 amendments. Now the Minister says, what do you do? What do you do? Does the policy change? Mr. Chairman, the policy doesn't change, you still have to get, for the price of oil, you have to get the cost of production, and if its necessary, Mr. Chairman, to add to that the amount by which there is a shortfall between the export tax and the amount that you have to subsidize; then you build that into the cost of what the Canadian people are paying for oil. Nobody would object to that, Mr. Chairman, and it's not a change in the formula. —(Interjection)— That's right.

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

**MR. GREEN:** Mr. Chairman, I'm willing to pay what it costs us to buy oil, it's as simple as that, I'm not willing to pay more than it costs us to buy oil.

**MRS. WESTBURY:** Thank you, Mr. Chairperson. I didn't hear you call me, there was a lot of debate continuing. Mr. Chairperson, this has been a most interesting debate between two demonologies, and

that's a new word I learned today. Looking in the dictionary I'm interested to see that it means the study of demons, belief in demons, or a catalogue of enemies. Now we all know what demonology means, Mr. Chairperson.

You know, I heard earlier in the day some speculation as to what the voters of Manitoba would do, in view of their disillusionment with their present government and, of course, they'd previously demonstrated disillusionment with the government that. I just wanted to remind the members of the House, as well as the voters of Manitoba, that there are many people in this province who are looking at the other option, Mr. Chairperson. And — (Interjection)— it won't take very many more members for us to double our representation, an increase of 100 percent or more, Mr. Chairperson.

But what we're really looking at, what I think everybody in this House is reconciled to the fact that there is probably going to be a general election within the next 15 months. Probably going to be. I'm sure that the First Minister isn't going to rush into this because, if I were he, I certainly wouldn't be rushing to the voters on the record of this government as it's been demonstrated in the past five months, Mr. Chairperson.

But, what I'm looking at for the Liberal Party, and what a lot of people are starting to talk about, in this House and outside this House, is a minority government next time around, and I'm not going to predict which side of the House any party will be on but we're looking at the possibility, seriously, of a minority government and of the Liberal party holding six to nine or more seats, Mr. Chairperson, and being a situation such as the New Democratic Party federally has enjoyed not too long ago.

Mr. Chairperson, I didn't want to allow this session to end without expressing my disappointment in some of the lacks in policy as presented by this government; some of the serious omissions of their platform and some of the areas which they seem to neglect altogether. First of all though, I must refer back to my question earlier in the day and also of a couple of weeks ago, and deplore, Mr. Chairperson, the way of putting something that's being much called for in a speech from the Throne, in the particular case I'm referring to, an Advisory Council on the Status of Women, something that was welcomed by women's groups all over the province, women's groups, even those groups that this government listens to, such as the Provincial Council of Women. And when I asked about it today the Minister said, he hasn't had any complaints from the Provincial Council of Women. Well, surely the Minister knows that people are inclined to believe what is said in a Speech from the Throne; they believed them when they said there was going to be an appointment of a council. There has been no appointment and to me that is a broken promise, Mr. Chairperson, and there's no way you can whitewash that, with huffing and puffing and blowing; that's a broken promise to the women of this province. And I'm very disappointed because I believed it too.

Now, Mr. Chairperson, I want to refer to the question of student aid. I had a resolution on this matter which is about to die as we conclude this session in the next day or so. I'm very concerned about a trend that seems to be developing here.

There has been no increase in student aid in the past three years; no increases in loans and bursaries; no increase in the salaries under the student employment program of this government for the past three years and what I'm afraid is going to happen, Mr. Chairperson, is that we're going to return to those bad old days when only the children of privileged will be able to afford post-secondary education. —(Interjection)— The Minister of Highways says I sound like that socialist crowd. Well, Mr. Chairperson, I thought that government believed in encouraging hard work and labour, and the ability of people to do the very best that they can, and I am suggesting, Mr. Chairperson, that that is the criterion on which we should decide who is able to go to university or other post-secondary institutions.

This government, apparently, is not prepared to use that criterion because when only the children of privileged can afford to go to university there are a great many hard-working students for whom this is no longer an option, for whom this is not a possibility, and I am worried about that, Mr. Chairperson, and I hope that before they come back to another session of this House this government will come forward with some better system of dispensing student aid. There has been no policy enunciated at all by this government.

In a University of Manitoba bulletin issued not too long ago, in July, President Campbell made certain recommendations, and I'm sure the government has received them. Among them were these: That the maximum limits on federal student loans and provincial bursaries be eliminated and that part-time students be more favourably treated in student aid regulations.

We're all aware of the fact that many people are going back to university, mature students, very mature students. We see a lot of housewives going back, housewives for whom this was not an option. Before the Second World War, Mr. Chairperson, it was not very often that women were able to go to university. Families had rather old-fashioned ideas about the place of women. The times have changed and women now are trying to take up the opportunities that they should have had when they were 18 or 20, growing up before the war, in the depression. If there was money for universities the money went for the boys to go to university, Mr. Chairperson. During the war opportunities were limited for boys and girls.

The Student Senate caucus has called for setting of student aid maxima to reflect students' actual cost of living and they have called for a program that does not presuppose dishonesty among applicants. They have called for establishment of a separate student loan plan as a lending agency of government, with loans to be repaid through a surcharge on income tax.

I think one of the things that the students most resent is presupposing of dishonesty, because the application forms certainly take that attitude, that of suspicion that somebody is trying to cheat the system. There are a great many honest young people in our province, of course, a diminishing number as they are driven away in their desire to get summer jobs and jobs, and they are driven away from university because of the summer job situation, also.

The paper continues to describe two groups that have a much lower success rates in obtaining awards and these two groups are students living at home but relying on their own resources. You know, in the Student Employment Program, Mr. Chairperson, the students are encouraged to leave their homes and to move into strangers homes because they are treated differently if they are living at home with their parents, and I think that's wrong; I think it's morally wrong to hold out a financial inducement to students to leave home in order that loans will be available to them. There are families where there is no financial assistance at all available for the young people qualified for and wanting to go to post-secondary institutions.

Dr. Campbell has also suggested that an allowable limit be set for cash value of gifts which are treated as income now and he has expressed concern, as we all must, about the 50 percent drop in applications for assistance from universities in the past four years. One of the reasons suggested for this decline includes the increased stringency in regulations and administration, discouraging publicity relating to student aid and attitudes of administrators.

Mr. Chairperson, I am calling on the government. I have a great many students living in my constituency and some of them are living in the worst accommodation. The very worst accommodation is that which is used only by those students who are prepared to suffer almost anything now in order to attain the education to which they aspire. I hope that the government will, before the next session, come up with a better student aid program.

The other area, Mr. Chairperson, in which I wanted to speak and which I feel the government's track record is deplorable is the area of housing. It just seems that I can't get enough opportunities to talk about housing, because nobody on the government side talks about it; nobody introduces anything on housing or provision of housing, or the needs of those in public housing.

I have to again talk about the need for the grocery store. Isn't it strange that one grocery store can become such an important issue in one constituency? I can only suppose that the government, in part, has just completely written off the Fort Rouge constituency in the next election because their attitude towards the needs of the people who live on this side of the river and, under redistribution this building is going to be in the Fort Rouge constituency, people who live on this side of the river and their need for living, for everyday living, for going to a grocery store; the only land that's available in this area, Mr. Chairperson, is government-controlled land.

Whenever I talk about this the Minister rants and raves and talks about subsidizing a grocery chain. The reason grocery stores have found it economically unfeasible to invest in a grocery store in this area is the high cost of land, the land which is controlled by the government. And there is no reason why this government can't free-up some of this land for development. We've got all those parking lots near the Convention Centre, provincial government parking. Now, we need parking, I'm not saying that we don't need parking, but I'm sure there are developers around, I know there are developers around, who would be pleased to incorporate as

many parking spaces into their development as there are parking spaces now in existence, and who would be happy to use the air space above and the space below for further development, Mr. Chairperson, but no, we've got to sit there with unproductive land being taken up in a very expensive area with cars.

The government, being responsible for Manitoba Housing and Renewal Corporation and for all the many MHRC and Winnipeg Regional Housing properties in this area, should negotiate with the grocery chain and with the developers in order to achieve a development with commercial on the main floor and with provision for parking above and below, or both, and lease the parking out to one of the parking firms, and still retain the air above for future housing. I know that there are development companies that are willing and anxious to go ahead with such a proposal. The Minister is so firmly committed against it, Mr. Chairperson, and he is committed against it because he has no sensitivity to the needs of the people in this area. — (Interjection)— They have come forward.

Mr. Chairperson, the Minister has said on more than one occasion that we should not be in the grocery business, even though nobody has ever suggested that government should be. It could be said that we shouldn't be in the farm business either, but when the people on the farms needed help we properly, we rightly went to their assistance. We have people who live in housing who need help just as much as the farmers of Manitoba have needed help in this dreadful drought season and who have not been listened to by this Minister or his government, Mr. Chairperson.

It could be said, and has been said, that the government shouldn't be in the insurance business, but this government found it financially rewarding to stay in the insurance business, even though they had said they would not. But it could still be said, as they said it before and as I must admit I said it also in the years of the Autopac debate.

But what we need, Mr. Chairperson, is somebody in government who will plan for the needs of people and who will do that planning conscientiously and compassionately; if necessary, if the needs of people call for it, Mr. Chairperson, to economically adjust the picture, to make arrangements, in the particular case I am talking about, for land to become available to those who have been trying to talk about it with this Minister for the past couple of years.

Because when the Minister says that we would be subsidizing a grocery store if we allowed the development that was proposed at the corner of York and Garry, he omitted to mention the fact that for the past number of years the people of Manitoba have been paying tens of thousands of dollars in rent to CMHC because that property is undeveloped as it was intended to be developed. I think it's about 70,000.00. Now, when he is talking about subsidizing the grocery store, what he really means to say, I think, is that the taxpayers would be paying 70,000, less whatever the developers were prepared to pay for leasing that property. That's not quite the same thing as the Minister has been indicating to us. Codville wanted a lease paying less than that. It was not feasible for them to pay 70,000, the full amount that we're paying for undeveloped land and we will continue to pay to CMHC. In other words, the

taxpayers would be paying something between that amount and the 70,000.00.

All we get from the Minister is sneering, you know. When he sneers at the things I say, as a representative of these people, he doesn't hurt me, but he hurts these people that I am talking about. He hurts the handicapped people who are living at, what is it, 375 Assiniboine Avenue and who can't get downstairs at Eatons to do their shopping, and who are being ripped off in the small stores in the neighbourhood. And he is hurting the older people who are living in all the senior citizens housing in the area. Those are the people who are the objects of this Minister's contempt, Mr. Chairperson.

The Minister also pointed out another obvious statement of fact, which is that the York and Garry site is not the most desirable site. Of course, it's not; it just happens to be one of those on which nothing is happening and which could be used. The ideal site would be the Broadway and Donald site where the Safeway store was before, and which was torn down on the decision of the owners, who believed, naively, that the economic situation was going to be such that they could erect a commercial development there and they have abandoned that. They have abandoned that and it is now a fenced in parking lot. That site could still be a grocery store if the developer hadn't believed the government who said that things were going to be economically good for commerce in this city. That is in private hands. If this Minister had a feeling of responsibility towards his tenants, I suggest, Mr. Chairperson, he would be negotiating with those people to put an alternative grocery store back on that land.

Another excellent site, perhaps better than the one at Broadway and Donald, but at least comparable, would be the development I have already suggested in the parking land near the Convention Centre, which is central to the area, which is not too far from Assiniboine Avenue, and which would be ideal.

Now, Mr. Chairperson, I want just to draw the attention of the House to a document which was issued in October of 1977. It's headed, An Urban Strategy Programs and Policies for Addressing the Problems of the City of Winnipeg, prepared by the Manitoba Progressive Conservative Party, released 5 October, 1977. It includes something called the Uphill Neighbourhood Program. Many older neighbourhoods are going downhill, they say, in the City of Winnipeg. They make a number of commitments. "There will be three distinct but mutually supportive elements in the uphill program. A program of loans and forgivable loans will be made available to first-time home buyers to permit to purchase older homes in uphill neighbourhoods and to renovate these homes. The maximum total loan available under the program will be 5,500 per unit, based on approved renovation plans". Much more is said.

I have another section, Rent Control and Decontrol. And they said it; we knew they said it but they didn't say it very loud in my constituency, Mr. Chairperson. They said rent controls must continue and they have lived up to their commitment there. They say, "In the meantime and during the decontrol period, a Progressive Conservative government will work to influence the supply, the demand and the cost factors of rental accommodation so as to ease

the upward pressure on rents". Nothing done there, Mr. Chairperson.

The Rental Accommodation Retention Program is another promise applying to older apartment blocks. "Under this program, low interest loans will be made available to apartment owners for necessary repairs to older apartment buildings. In accepting the loans, the landlord will also accept a regime of controlled rents with respect to the renovation costs that will apply until the loans are repaid". How nice it would have been if they had lived up to that commitment.

The Rental Accommodation Energy Efficiency Program, another promise. Under this program, "low interest loans will be made to the owner of any apartment building for improvements to that building that will increase its energy efficiency".

Mr. Chairperson, we have had 115 bills in this session; why nothing on housing? How could they make all these promises to their candidates, to their voters in 1977, and nothing has happened, Mr. Chairperson? Why can't we have a Minister of Housing who has some sensitivity and knowledge of the Inner City of Winnipeg, of our major city in this province; why can we not have a Minister of Housing who is receptive to the positive suggestions that are made by people on this side who have more experience in this particular area and who are genuinely anxious to help with making proposals? I have made suggestions. I don't just knock what he is doing, although he is a very easy man to knock, I don't just knock what he is doing, Mr. Chairperson, I have made positive suggestions and he won't even discuss them. He turns his back. Sometimes he picks up blank sheets of paper and reads them when I'm talking, but he won't even come forward. He has got no positive proposals himself, Mr. Chairperson. We've had no policy; we don't even have a golden girl for housing; nothing, not even that.

Mr. Chairperson, we're leaving here, I think, they tell me within a couple of days, because the session will be over and in some of the most important areas we have done very little or we have done nothing or, as in the case of rent controls, we have done poorly. I am disappointed, as a new member, that government will not accept positive suggestions very often. It has happened once in a while in the condominium part of the rent control legislation; some suggestions were accepted. And there have been a few others where suggestions were accepted at committee but, generally speaking, the attitude is negative and if somebody else suggests it, it has got to be bad. I think, if they were to open their minds and listen, and their hearts, and feel that perhaps they would be a better government and perhaps their situation may not be as bleak as it now looks, Mr. Chairperson.

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

**MR. CHERNIACK:** Mr. Chairperson, this morning I listened to the Attorney-General respond to a question by the Member for Transcona, giving the impression that the government was in the process of making a study.

Mr. Chairman, I want to read into the record a motion that was passed something over 16 months

ago, on March 26, 1979. The motion reads as follows:

WHEREAS the question of citizen access to governmental information is a matter of concern to all Manitobans; and

WHEREAS the question has arisen as to whether means of access to such information are presently effective; and

WHEREAS this Legislature feels that the examination of this question is in the public interest;

THEREFORE BE IT RESOLVED that the government consider the advisability of referring this matter to a committee of the Legislature to study the question as to whether or not there now exists sufficient availability of information desired by any citizen, and to make recommendation to the Legislature as to how the legislative process can be improved to make such information available where a means of access are deemed to be unavailable or insufficient.

That motion, Mr. Chairman, was agreed to and I believe it was unanimous. I believe that it was spoken to in such a way that everybody was open to consider what was available and, if not sufficiently available, how the information access could be improved. It was a motion which should be considered non-partisan since it was proposed by the NDP and it was amended and then approved by the government and, Mr. Chairman, I suggest to you that it has been ignored for 16 months.

The Attorney-General today said, we are still looking at it, and he suggested there was federal legislation which was being looked at. Mr. Chairman, I tell you that I believe there wasn't the slightest intention by the government 16 months ago to set up the committee and, if there was and if the government took seriously the motion which it amended — or I believe it amended it but, in any event, which it accepted — it would have had the courtesy to come back and say, we have considered it and we are not proceeding with it. That, of course, would have brought a reaction, Mr. Chairman, and that is probably why the government did not have the courtesy or the courage to make a statement about this issue, although questions have been asked about it in the past.

To think now the record of this government, especially in this last session, is abominable, and one can therefore say, well, then the record of their failure to respond to a motion passed 16 months ago is on par and consistent with the record in other ways; that has been the management and lack of management in this session.

Mr. Chairman, I don't think the impression should be left with anyone that the government is seriously looking at this resolution, because it would have been the simplest thing, the simplest thing, for the government to either say, we thought about it and we refused to do it; or, Mr. Chairman, indeed to take it seriously and to do what it said in the resolution. There is nothing, no from of commitment as to policy, no undertaking as to direction that that committee would take. The committee would be, as always, in the control of the government and the government, as I say, did not have the courtesy to carry out its own undertaking, as supported by the

government, on March 26th, 1979. It is a further indication of bad faith, Mr. Chairman, and an affront to the Legislature, of which Conservatives are part and presently a majority. For them to pass a resolution and for the government not to act on it is, as I say, a further disgrace, another mark against the government and its ineptitude in dealing with affairs of the people of Manitoba.

**MR. CHAIRMAN:** Bill 75, page-by-page, Page 1 pass; Page 2 — the Honourable Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, there are a number of questions that I wanted to put to the Minister of Finance, one of which I did put to him which he has not responded to, and that has to do with the fact that, according to his figures, we ended up the last fiscal year with a 45 million deficit. The question I put to him is, this is the year before, Mr. Chairman, and the question I want to know, if it was not for an additional 138 million — I believe it nets out in terms of benefits from the federal system of some 118 million — that we would have actually had a deficit of 153 million, had it not been for those windfall benefits under the equalization formula.

**MR. CRAIK:** Mr. Chairman, I think we're dealing with the estimates for 1980-81, not 1979-80, so Mr. Chairman, I will ask your discretion in this matter but I don't think we should get into details. I don't have all of the 1979-80 figures with me; I do have the 1980-81.

**MR. USKIW:** Mr. Chairman, I believe that it's in order to discuss the fiscal year which ended March 31st, 1980, because we had just received this a few weeks ago and what we are doing is comparing it with what is now being proposed for the current fiscal year. That particular question is most revealing, at least, I think the answer would be most revealing, Mr. Chairman, because I notice that the government for the current fiscal year is proposing a reduction of equalization payments for 366 million to 317 million, and those two things go together, comparing one year with the other, and I'm wondering why that is taking place.

**MR. CRAIK:** Mr. Chairman, I don't have all those facts with me. This has been pointed out by the government on various occasions, that there was substantial increase in the equalization payments, particularly, that made the major difference in last year's outcome. So I can neither confirm nor contest what the Member for Lac du Bonnet is stating at the present time, but I again repeat that we're dealing with 1980-81, not 1979-80 today, I believe.

**MR. CHAIRMAN:** (Pages 3 to 14 were each read page-by-page and passed.) Preamble pass; Title pass; Bill be Reported pass.

### **BILL NO. 112 — AN ACT TO AMEND THE INCOME TAX ACT (MANITOBA)**

**MR. CHAIRMAN:** Bill No. 112, An Act to amend The Income Tax Act (Manitoba). Page 1 pass — the Honourable Member for Lac du Bonnet.

**MR. USKIW:** Yes, I wanted to get clarification from the Minister, and I'm not sure if I can discuss this in general terms on any page, I think I can. It has to do with the new policy with respect to only allowing one person to claim, as a principal resident, any tax rebates that are allowed. My question to the Minister is: What protection does one have where one is sharing a residence with another person who is named or applies as the principal resident and then does not share in the tax credits that accrue for that residence. The Minister, I believe, has left that up in the air and if it's his intent that there be a division of those benefits between two people who share accommodation, then perhaps there should have been something in the bill to make that a requirement in law so that, in essence, we don't have a situation where two people sharing the costs of a residence, one ends up receiving the tax credits and the other one is out of pocket, or in fact is discriminated against by virtue of this legislation.

**MR. CRAIK:** Mr. Chairman, it's based on joint income, in which case then there has to be some internal sharing arrangement worked out if you have the two occupants sharing the accommodation.

There is one factor, though, I think I may have not given the correct answer on one earlier occasion, in the case of board and room. I think I said, in general, that they would have to do their own sharing. That's only the case if it's immediate family. In the event that it's a board and room occupant, the same claim can be made by a board and room occupant to apply 20 percent of their board and room charge if they are not members of the immediate family, in which case that does not change.

**MR. USKIW:** Just for further clarification, Mr. Chairman, in a situation where two people are sharing the same apartment and one only can claim the tax benefits, what is the legal mechanism provided in law for the other person to receive his share, or is there any provided in legislation?

**MR. CRAIK:** Mr. Chairman, in that case the government cannot make provision for resolution of internal matters, internal to that household. So they will have to make their arrangements.

**MR. USKIW:** Mr. Chairman, I have a problem with that, because the government, by law, is in fact setting the rules by which people in Manitoba may claim their property tax rebates and what they are not providing for in law is the fact that there are many thousands of people, in particular tenants, who share accommodation and in which case now only one can make the claim and the government is resting its hope on the theory that there will be some sort of a mutual agreement as between the two as to how that property tax credit is to be shared, notwithstanding the fact, Mr. Chairman, that they may have different levels of income and may qualify differently if they were filing on their own initiative a principal resident's application for property tax credit.

To me, it's an inequitable thing that seems to me should have some means of recourse for the person who might be aggrieved, I don't know. Let's take an

extreme example. Let's assume that two parties have parted company, so to speak, who no longer share the accommodation but they were both entitled benefits, even though one may only make the claim. Let's assume that they are no longer companions, or whatever the term is, or no longer friendly to each other. There may have been a dispute over which one has left. How does that one person's entitlement then come into realization if that person is dependent on the other party for filing his application and for receiving the tax credit? You know, it seems to me that it's almost a situation where I presume there ought to be a case to be made in Court of Small Debts, I suppose. Maybe that should be spelled out, that if there is a denial of one's rightful share of property tax credit on the part of a person who is sharing the accommodation, that maybe there should be recourse to Court of Small Debts at a nominal charge in order to recover that tax credit.

**MR. CRAIK:** Mr. Chairman, there have always been anomalies in this kind of legislation. There were more anomalies under the application of the legislation as it was before. For instance, it gave a tremendous incentive for people to live common-law under the former legislation. It gives more incentive to live married under this legislation. If you want to reverse it, of course, you can say it penalizes those people who were living common-law and who wish to continue to live common-law. You can say it that way if you like but, under the legislation as it was originally portrayed, as I understood it, it was intended to be property tax credit and that is what we have continued to try to do, but we have tried to make it more so property tax credit. As a result, it applies more on the property than how it may be split up internally. We have tried to get back to what we thought was or should be the intent of a property tax credit.

There are these cases where you have shared accommodation like that, where you are going to find that sort of problem where people are three parties renting one apartment. As a result, there is going to be a property tax credit based on the rental amount of the apartment. They will have to decide who is the official renter of the apartment. Well, they are going to have to decide that between themselves as to who is the official renter of the apartment and make that accommodation.

We have looked over a number of the things that could happen under that sort of thing. We were concerned that, in the case of senior citizens, that there may be a difficulty where there is a shared renting of a facility or a shared property tax credit, whatever the case may be. We worked through a number of options there and it appears to work out equitably in that case with the credits that are available to them. If you take into account all of the White Paper possibilities, there the senior citizens come out well despite the fact that it creates an apparent problem for them in the case of the property tax rebate alone, but in total they come off in every case improved in their position. Although you can pick out any number of particular cases, it is hard to find one that really abuses in any way the basic principle of the property tax credit or getting assistance to people who need it, and that's the criteria that has guided all of it here. We can go

through any number of examples, but there is not one group that we have ever been able to find that stood out that were not receiving benefits from the package of credits that come to them under the property tax scheme and in the new initiatives that have been brought in.

So beyond that, we can pick out examples and we will have to crank through them. We have already had any number of questions and some of them I have had answers developed for them. We can do it in a more detailed way. I'm not sure we are going to be able to do it all here though.

**MR. USKIW:** Mr. Chairman, the Minister of Finance argues that they have taken out anomalies, and it is true they have, but they have taken out anomalies that were disfavoured to the Crown or to the Treasury, where people have had benefits which perhaps weren't intended but which they were entitled to under the old system. So the anomalies were a charge against the Crown. What they have replaced those anomalies with, Mr. Chairman, is with a set of anomalies that hurt individuals, from which there is no recourse, Mr. Chairman. We may have dozens or hundreds or thousands of examples of people who will be, in fact, denied their property tax credits because of either a dispute as between those sharing accommodations or a person may pass on, leaving another person behind whose estate may be entitled to it, or vice versa. There are all sorts of practical problems that are going to arise from the fact that not all Manitobans now will be able to file a claim for a property tax credit.

It is really an honour system that has been put together for those people who are sharing accommodations in Manitoba. Mr. Chairman, there are many elderly people that are sharing accommodations because they can't afford to rent accommodations on their own or independently. This is going to have a tremendous adverse impact on those people where only one can claim the benefits and the other one is somehow going to try to wrestle his share out of the person that has received the cheque. Some will do it willingly, others will not, Mr. Chairman. Some will have not lived through the whole year of their entitlement and there may be a problem there; I don't know. I think this is becoming a nightmare to operate this kind of a system, Mr. Chairman.

I don't think it's good enough that the Minister suggests to us that we have solved the anomalous things in the old system as far as how it adversely affects the Treasury, because we have replaced it with anomalies that now will adversely affect individuals, Manitoba citizens, who are entitled to those benefits. I think that's a bad trade-off, Mr. Chairman. It may be good financially, but very discriminatory as far as the people of Manitoba are concerned.

**MR. CRAIK:** Mr. Chairman, quite the opposite; it removes the discrimination because, if you had several people living in one household where they paid their taxes through property taxes and where the main rebate was a property tax rebate at the municipal office, if you went down to the municipal office with your tax bill and said, my rebate on my bill is 325, but we all share that house equally,

therefore we would all like 325, the member is advocating that each of them would get more than 325.00. If you carried through his argument that he thinks should apply to tenants, if you carried it through to the argument that if they weren't tenants, but they were property tax payers through the municipal office, they are fixed.

What brings it back to the same sound basis is that regardless of whether you live in your own house, or three people own one house under joint title or whatever it is, and those same three moved into an apartment, the member is suggesting that if they lived in an apartment they should get more because they would all apply against their own individual income taxes and they would add up to more than the one would get. That's the anomaly. So what he is saying is that you should now treat those who live in apartments differently than those in houses, and we're trying to say it is a property tax credit. Regardless of whether you are in a house or you are in an apartment, it is a property tax credit. And that's all we're trying to do is bring uniformity to it.

It isn't a case of saving the Treasury money; it's trying to set basic ground rules that are equitable in all cases. But there are going to be shifts that happen and there are a number, and those have already been discussed. There are going to be some people, in the cases that I have mentioned, people that are living common-law are not going to do as well as they would have before, but those that are living married may well do better, depending on their income level; they may not. If it's joint income, they may in fact take less if they are in the upper income level. So I can't agree that it's in any way discriminatory. It removes the discrimination that was there before.

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

**MR. VIC SCHROEDER:** Thank you, Mr. Chairman. I have a question for the Minister. He indicates this is clearing up an anomaly. Can he advise as to what the position currently is if you have two principal taxpayers who are not related to each other, who happen to own a home together, and are recorded on the title as either joint tenants or tenants in common, whatever, and if each of those taxpayers claims at the end of the year for his half of the property tax paid, does each of them have, under current legislation, the right to apply for the credit for his half or her half of the tax paid?

**MR. CRAIK:** This is the property tax that you would pay at the municipal office, through your municipal taxation? Mr. Chairman, I'll check on this but I believe that you just get the one rebate and then you split it up; that's it. The same as we're advocating across the board now.

**MR. SCHROEDER:** Could the Minister check with his officials because it seems to me that although there's only one credit given from the municipal office, when the people file their income tax returns, in fact, each is entitled to the total amount, minus whatever they have been paid in the past. For instance, if you have a tax bill of 2,000 and you take

the property tax credit off it, then at the end of the year, each of them will still be entitled to the entire amount, based on their own income. Is that not correct?

**MR. CRAIK:** That may well may be so. If that's the case, then it's not an equitable system, that's not the way the system was intended to do in it's initial application, as far as I know.

**MR. SCHROEDER:** Yes, Mr. Chairman, I would suggest that, in fact, that is the way it is right now and I would suggest further that it is not inequitable. And in fact, what is happening under the current system is that homeowners are being treated in precisely the same way as tenants are being treated and what you are now doing is damaging the position of the homeowner and damaging the position of the tenant. And let's take several examples.

Let's take the example of two people who decide to live together in a house owned by the two of them. Rather than each individual, and you can have males or females, males and females, whatever, we don't have to worry about the sin tax that the Minister of Finance seems to be worrying about because I would suggest to him that, for instance, where there's a common-law relationship, if the people get married, if one of the spouses is not working, they are better off getting married, under the current system, than not being married because, if they're not married, the spouse who is working is not entitled to claim the other spouse as a deduction. So these things, they sort of work out in the wash, so to speak. (Interjection)— That's fine. I would suggest that this is not something that's going to do anything about that, certainly not create any more fairness.

But if you have two people living together in a house, in which property taxes are say 2,000, they will only be entitled to — and these people are not related to each other and not even living common law — these people will be entitled to one property tax credit. Whereas the owner of the house next door may be one person who wants to live by himself or herself in a house and has a house which is worth half as much and has property taxes of 1,000; that person is entitled to one credit. Why are the two people living in the house next door not each entitled to one credit as well?

I would suggest that it makes absolutely no sense whatsoever, this new provision of the Minister's and if you put this in the context of tenancies it makes even less sense because chances are that there may be some more stability in the homeowner relationship. When you're dealing with tenants, take university students, take people from rural Manitoba, frequently come into the city for six months or whatever, in the wintertime to work; two males may decide to live together in a nicer suite rather than each spending that time in a poorer suite. Now if they each live on their own in a 100 a month suite, they're each entitled to a full credit, for the amount that they pay. If on the other hand, they're living in a 200 suite, first of all, I would suggest that there's nothing in this bill which gives one of the tenants the right to claim for all of the tax credit, so that one only of these people will be able to apply for one half

only of the total amount, and even if he's allowed to claim for the whole amount, he's up against the upper limit and there will be less tax credits payable to those people who live together than those people who are on their own. And I would suggest that that is totally unfair; it's totally inequitable; it's totally different from what we have now and it is going to lead to a great amount of confusion.

Mr Chairman, at the end of the year, when these people are filing income tax returns they may not be living together. Whose going to claim it? I would tell that they will both claim it. They will not talk to each other. University students will be gone into different parts of the province or into different parts of the city or whatever, they won't have time to consider it. When they look at their income tax return, they will see, well, how much did you pay for rent? They paid 200 a month, they're going to file it on that basis. The other person is going to do the same thing and then the Minister will have created an offence, for what? For these people doing exactly the same thing that their fellow students, or their fellow farmers, who worked in the city during the winter time; they're doing exactly the same thing as the individual who lived on his own, who had paid the same amount of rent. But in the one case, half of it is a credit toward the person; in the other case, the full amount goes toward the credit. And there is no logical reason that the Minister has given us for this kind of a change. And I would ask him, as I have on a number of previous occasions when he always said that he would answer once we were in committee, how many people are going to be affected by this change in terms of how many people are living together, two males, two females, or even common-law relationships, if that's what the Minister is worrying about? If the Minister is worrying about that tell us? How much money are you saving as a result of this amendment?

**MR. CRAIK:** Mr. Chairman, we get half speech, half question, that goes on here for minutes at a time, and if the member wants to get specific answers to questions, let him list them specifically, we'll dig them up, we'll get him the answers. He asked a question the other day that I took as notice. And he asked the question at that time regarding 1,466 in benefits occurring to a single pensioner tenant paying monthly rent of 200 and having an annual income of 4,600 before provincial support. And, under the White Paper program these would be the person's benefits as 187 . . .

**MR. CHAIRMAN:** Order please. Order please. The Honourable Member for Rossmere on a point of order.

**MR. SCHROEDER:** Yes, Mr. Chairman, we're dealing with an Act, Bill 112 and I thought we were on Section 4.1. (Interjection)— Well, the Minister says we were all over the place. I think if he checks all of the remarks I made they dealt specifically with the Clause where two or more principal taxpayers together occupy and inhabit the same principal residence in a taxation year, only one of them may make a claim for municipal tax deduction, under subsection (2), in respect of that principle residence

for that taxation year. That's what I was referring to. All of my remarks were referring to that.

**MR. CRAIK:** Fine, Mr. Chairman, then we'll take the member's five minute question as notice.

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

**MR. ADAM:** Mr. Chairman, I find this section unacceptable. I would accept the fact that if the occupants of a residence were registered owners, or at least one was a registered owner, and they were both working, that maybe the two couldn't claim, but I find it very very unreasonable that in a situation — and this situation is one that is increasing because of high rents and rents going up, where there are more and more people who are total strangers who rent a house or an apartment and for some reason one of the maybe four people, to give an example, will be renting a house in order to reduce the rent, and if one of these people is transferred somewhere else, to another province or another town or another area, they can't claim. These people are all paying rent to a property owner.

I can't imagine how the Minister would bring in this kind of legislation that would create such a nightmare for a lot of people who have joined together to reduce their rents by doing so, and I can't for the life of me understand why the Minister would create that kind of a jungle nightmare for a lot of people in this province. There are going to be more and more people getting together in order to reduce their accommodation costs, and surely the Minister is not telling us that only one will be able to claim at the end of the year? That's unbelievable.

**MR. CRAIK:** Mr. Chairman, if two people living like that can pay their rent separately and want to split the rent, and then apply individually through their income tax system for their rebates, if they can get two separate receipts, that's fine. But they will be claiming against only half of the rent, and in some cases, they're not going to end up getting any more than they would be by just one applying. If it's to their advantage to get a receipt for half the rent, they'll end up under the formula still not making any substantial return, but if two people are living together and have decided to split everything 50/50 down the middle, and they're going to take out a joint tenancy and get two separate receipts, and their rent is 300 a month, they'll each have to get 150 a month, but the individual would get a lower return than if he was filing for the whole amount. It's not impossible for that to happen, if they can make that arrangement; if they have everything else done 50/50 that's the arrangement they can make.

**MR. ADAM:** Can the Minister assure us that that is in the Act, that it is spelled out and it is possible to do? Otherwise, the way I understand the Act as being written up, it's not possible to do that.

**MR. CRAIK:** Mr. Chairman, the Act refers to principal residence. If two people feel adamant enough about the fact that they want to take a two-bedroom apartment, say that bedroom is my principal residence and that bedroom is your

principal residence, and feel strongly enough to go to that extent, they could end up with two separate filings, but of course, again they would split the total rent according to how they decided they wanted to split the total rent between the two of them.

**MR. SCHROEDER:** Mr. Chairman, in view of that last answer, could the Minister advise as to what the definition of principal residence is under the main Act?

**MR. CRAIK:** You'd have to look it up in the Act, Mr. Chairman.

**MR. CHAIRMAN:** Page 2 pass — the Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, the Minister has me more confused. That may not be much of an accomplishment. He keeps talking about principal residence, and I see in the amendment principal taxpayer. I have been asked a couple of specific questions on this, you know, for example, five people that are related live in one particular area, that their taxes are such that if each one of them split it off, that they would reach the maximum. In my own particular case, my property is held between my wife and myself. If I go down and I pay half of it and I get a receipt from them for half of it, my wife goes down and pays half of it, and she gets a receipt for her half of it, which one of us is the principal taxpayer? Not principal resident, which one of us is the principal taxpayer? If my wife wants to claim the maximum and I claim the maximum, how in law can either one of us be classified as the principal taxpayer?

**MR. CRAIK:** Mr. Chairman, in the case of a husband and wife, which is the member's example, then there are not two principles involved here, there is only one principle, it's either joint tenancy or tenancy in common, or one owns it or the other owns it, but it's a joint income on that basis and therefore they would have to be filed together on the joint income basis. That's one of the problems that we are attempting to get around, creating an incentive for the other to take place, and to a large extent it does get rid of that problem. But again, in his case, the case of the family income, there is one residence, one principal residence, and that's it. You could not divide it up any way you wanted to between the husband and wife, there is just the one.

**MR. BOYCE:** Mr. Chairman, my personal chagrin at the government in deciding how I shall dispose, or how I shall regard my property that my wife and I hold, we hold in common. So I personally resent the government saying that one of us is principal over the other in this regard, or any other regard. But nevertheless where people aren't man and wife — in one particular instance — well, I don't want to identify them by giving their relationships, but nevertheless they are related brothers and sisters and the rest of it, and over the years, they have put their money in a common pot and paid the expenses and they have apportioned the benefits of these expenses to their benefit. So really, Mr. Chairman, here's another hodge podge. I'm looking at this

amendment that was circulated here just a moment ago.

Another particular case where the school taxes on this one piece of property, over 1,500, the three of them would reach the maximum if they were able to file separately, but nevertheless they have to determine which one will be the principal in this regard, is only entitled to the 500. So there are many anomalies, as pointed out by the Member for Lac du Bonnet, that are creeping in which won't accrue to the benefit of the taxpayer.

**MR. CRAIK:** Mr. Chairman, either file a complaint, but what you do is claim against combined income. I don't know if that gets to the member's problem or not, but either the husband or the wife can do the filing. They take their choice, but you have to file against the combined income of the family.

**MR. BOYCE:** That's exactly the point, Mr. Chairman, when you can file as individuals and both take benefits to the maximum, it is to your advantage, but with the people who aren't man and wife, they could be brother and sister, or aunt and uncle or anything else, and the one example with the three people, who heretofore could have claimed 500 apiece are going to be limited to 500 for all three. (Interjection)— Right, the First Minister says.

**MR. CRAIK:** The whole property tax rebate is based exactly on — it's rebate against property tax. Now how that works out in the dwelling unit is going, to a large extent, depend on the conditions in the dwelling unit, but what it is a property tax rebate against property tax that goes to that dwelling unit.

**MR. BOYCE:** Yes, Mr. Chairman, exactly, the taxes in this particular case are 1,500 for school tax, and heretofore the people, as individuals, could apportion that among themselves and each one of them take 500 for a total abatement of 1,500 in taxes, 500 of which each one of them paid. Your way, because they live in common in one residence, are going to say that now the three have to split 500 instead of each of them having 500 themselves, for a total of 1,500. So it's 500 vis-a-vis 1,500 rather than 500 divided by three.

**MR. CRAIK:** The definitions, Mr. Chairman, have not changed in this over what was prescribed in 1973. What is different is that family income is the criteria rather than individual.

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

**MR. SCHROEDER:** Thank you, Mr. Chairman. I think basically, what we are saying on this side, is that the property tax credits should be based on family units as opposed to dwellings. You people are saying that it doesn't matter, you can have three separate individuals, three university students, or three people, three widows, or three pensioners living in a house, as far as you're concerned, if it's a house, that's one unit. We're saying that if there are three widows living in a house together and they wish to live in that fashion rather than each in a single house somewhere else or a small apartment, paying

the same amount of rent and paying the same amount of tax approximately, we're saying that each of them is a separate individual taxation unit. We are saying that each of them deserves to be able to file their income tax returns separate and apart from anyone else living in that property. We're saying that they should be entitled to do what they have been able to do in the past. You people are saying that if they live together, we're lumping them all together in one, we don't care, we're going to tell them, they're going to have to figure out how they're going to work out their income tax returns, and we're saying that that's not fair.

We're telling you we think that we're doing you a favour by asking you to withdraw this section from the legislation. We think that there are sufficient widows and pensioners and students and other people living together in situations such as this, who will be adversely affected, that it would be well worth your while to withdraw this section of this bill. Because you are going to find in many ridings in this city, such as Riel, that people will be extremely angry when they file their income tax returns and find that they have to then get into an argument with their former room-mate, or even their current room-mate, to find out who will be entitled to collect. Nothing in this bill says that the one who collects is entitled to collect for the total amount of rent paid, all they're entitled to collect for is the amount that the individual paid, and so, if you have two individuals living together, again paying say 300 a month, each of them pays 150, only of them can claim; and further, the one who can claim can only claim for the amount that he or she paid, unless you can show me any change in the legislation to the contrary. And again I would suggest that you withdraw this, in shame and embarrassment.

**MR. CRAIK:** Mr. Chairman, in total, there are far fewer anomalies than existed before. The principle of rebates to dwelling units is being addressed much more accurately than it was before. There is an additional 20 million in benefits that are going into these rebates in this year over last year alone, and although there is some change in the qualification techniques, there is far more support, in total, going to the needy.

The Member for Rossmere also mentions the pensioners; I tried before to go through an example where we looked at pensioners, which he felt was out of order, and I accept that, so I'm not going to go through it. But the pensioners under the total package, end up with a better, all the way around, we can find no loopholes where they can possibly end up without getting increased support, if they need it. They'll end up with a far better package of support, particularly, naturally, in the low income group. So if it's pensioners living together, splitting up the rent, they're going to end up with benefits.

If students are living away from home, paying room and board, they will get the benefits; they can apply under it. If it's students that are together, jointly or splitting an apartment three ways or four ways, I suppose if they wanted to file on a separate unit basis, it would probably be worthwhile. I would seriously question whether those same students will get any less benefits in total than they do at the present time. I don't think so. I don't think they will.

They're more likely to get the money back through the fact that one of them has taken the initiative to apply and get it back and divvy it up, than they would under the fact that they were going to take a quarter of it and go through it, each do it, and end up none of them do it. That's more likely to be the case in the students' case, that they would end up doing that. They're such a mobile group; they don't keep receipts, at least maybe they'll now delegate one to do it.

So, Mr. Chairman, in total it's a much more equitable package and addresses the problem much more directly.

**MR. SCHROEDER:** Mr. Chairman, the Minister in his last remarks, made two points. First of all, he suggested that if you had four students living together in one residential unit, that each of them could then still, regardless of this document, each of them could claim for his own portion. Well they can do that now, and if the Minister is saying that's what he wants them to be able to do in the future, then let's remove this clause.

Secondly, the Minister suggested that students could total receipts, and one student would be able to claim for the rents paid by other students, I would ask the Minister to advise us as to where in the Act a person is being given the right to claim against his income, money that he did not pay out.

**MR. CRAIK:** He can if he has the receipts, Mr. Chairman.

**MR. SCHROEDER:** I'm sorry I didn't hear that. Could he repeat that answer?

**MR. CHAIRMAN:** Page 2 pass — the Honourable Member for Rossmere.

**MR. SCHROEDER:** First of all, can the Minister confirm that it is the government's position and will be the government's position, that when two people live together in a home, and each of them claim separately, that each of them will then be considered by this government to live in their own principal residence in order that they can both claim the benefits of the property tax credit?

**MR. CRAIK:** If they can divide it up and provide the receipts, Mr. Chairman, I think that's — as far as the provincial government is concerned — whether or not it's accepted by the federal Income Tax Act, I can't verify that.

**MR. SCHROEDER:** Well, again, Mr. Chairman, I would ask the Minister to withdraw this section. I've just examined the provincial Income Tax Act; there's no definition of principal residence. What you're doing is putting an awful lot of people, who have no relationship with their room-mates, other than one of being entitled to share accommodation, you're putting them in a position where they are going to be getting into fights and arguments and disputes with each other for nothing. This is a nonsensical amendment; it is one that will do no good; it is one which will create bothers and hassles for many taxpayers.

**MR. CRAIK:** Well, Mr. Chairman, he's just put another falsehood on the record. The principal residence is defined in the Act. He can go and read it.

**MR. CHAIRMAN:** Page 2 pass; on page 3 there's an amendment.

The Honourable Minister.

**MR. CRAIK:** Mr. Chairman, I move that Bill 112 be amended by striking out section 7 thereof and substituting therefor the following section:

Subsec. 4.1(2) amended.

7 Subsection 4.1(2) of the Act be amended by striking out clause (a) thereof and substituting therefor the following clause:

(a) where the individual is a principal taxpayer in the taxation year, an amount calculated in respect of the dwelling unit cost of the principal residence of the individual, which amount shall be equal to the lesser of

(i) 475.00 minus the lesser of 150.00 or 1 percent of the income of the individual's family in the taxation year, or

(ii) the dwelling unit cost in that taxation year in respect of his principal residence, or, where the individual is a principal taxpayer and a senior citizen in the taxation year, an amount calculated in respect of the dwelling unit cost of the principal residence of the individual, which amount shall be equal to the lesser of

(iii) 525.00 minus the lesser of 200.000 or 1 percent of the income of the individual's family in the taxation year, or

(iv) the dwelling unit cost in that taxation year in respect of his principal residence; and.

**MOTION presented and carried.**

**MR. CHAIRMAN:** The Honourable Minister. There's another amendment.

**MR. CRAIK:** Mr. Chairman, I'd further move that section 10 of Bill 112 be amended by striking out the figure "(3)" in the 1st line thereof and substituting therefor the figures "(13)".

**MOTION presented and carried.**

**MR. CHAIRMAN:** Page 3 as amended. The Honourable Member for Rossmere.

**MR. SCHROEDER:** Thank you, Mr. Chairman, dealing with Clause 4.1(14), I had asked the Minister on several occasions previously, how many individuals in receipt of SAFER payments from the province will, as a result of this amendment, have all of the amount paid to them under the SAFER program taken away from them when they file their income tax returns and have their property tax credits taken away?

**MR. CRAIK:** Mr. Chairman, the SAFER program has always had the condition on it that both don't apply. Nobody makes less out of this; on average everybody makes more, in terms of their support levels. The person would receive the maximum, whether it was under the SAFER or under the rebate that he files for on his income tax statement.

Whichever is the greater, he gets it. Either the support under the SAFER program or the rebate under the income tax form.

**MR. SCHROEDER:** Mr. Chairman, let me give the Minister an example of an individual who's entitled to say 450 in property tax credits and receives 20 a month in SAFER, he would lose the 240 off of the property tax credit and would in fact have gained nothing out of SAFER, excepting — and I would agree with the Minister, that they get something because they get the money before they would otherwise have received it. But how many people are in that position, who will have all of that money taxed away from them at the end of the year?

**MR. CRAIK:** I suggest, Mr. Chairman, that the member ask that question approximately 10 months from now and we'll have one year's experience under our belt. Anything I gave him would be an estimate at this time.

The remainder of Bill No. 112 was read page by page and passed.

**BILL NO. 115,** The Homeowners Tax and Insulation Assistance Act, was read page by page and passed.

**MR. CHAIRMAN:** Committee rise. Call in the Speaker.

### IN SESSION

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

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

**MOTION presented and carried.**

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

**MR. MERCIER:** Mr. Speaker, I would think there's a disposition to call it 5:30.

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

**MR. CHERNIACK:** Mr. Speaker, on a point of order, which I'd like to address through you to the Honourable the House Leader, I understand that both election bills have received very substantial changes, I'm wondering if there's any proposal to distribute or to give to our side, a composite new look at the bills.

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

**MR. MERCIER:** Mr. Speaker, I know a copy of the Election Finances Act will be available to members opposite this evening.

Mr. Speaker, with respect to the Elections Act, I think there were specific written motions before the committee, which I think members opposite who were on the committee have available; legislative counsel haven't had an opportunity yet to put those

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together, but I don't think there is any difficulty with that, the material was all in the hands of members of the committee.

**MR. SPEAKER:** The hour being 5:30, the House is accordingly adjourned and stands adjourned until 8:00 tonight (Monday).