



Third Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Hon. Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, Hon. John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Q.C., Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	IND
DOLIN, Hon. Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virdeu	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Hon. Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, Hon. John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Hon. Jerry T.	Flin Flou	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 6 June, 1984.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Highways.

HON. J. PLOHMAN: Mr. Speaker, I have a statement.

MR. SPEAKER: The Honourable Minister.

HON. J. PLOHMAN: Mr. Speaker, last week the Provincial Ministers of Highways and Transportation and the Federal Minister of Transport met in Ottawa to discuss extra provincial trucking regulations.

It was agreed unanimously that action on extra provincial trucking had to be taken immediately to encourage economic development in our country. Current regulations and practices are disjointed and outdated and do not facilitate servicing the public in the most economical and efficient way or encouraging the trucking industry to grow and expand.

Immediate action is to take place with regard to eliminating rate approval, shifting the burden of proof in entry applications, development of common commodity exemption lists and streamlining and reducing existing license categories as they apply to extra provincial trucking. The western Ministers agreed as well that a Western Regional Committee should be established to deal primarily with the issue of common commodity exemption lists for Western Canada.

The Ministers also agreed to seek from the next meeting of the Premiers' Conference authority to develop an integrated approach to the collection of all truck-related taxes and insurance, as well as to develop uniform reporting and enforcement provisions.

They agreed to instruct the Canadian Conference of Motor Transport Administrators and its Standing Committee on Motor Carriers to develop, in consultation with appropriate industry groups, an implementation plan for the September, 1984, meeting of the Council in Montreal. In addition, a draft Memorandum of Agreement for signature by each jurisdiction in support of these reforms would be prepared for the September meeting.

Mr. Speaker, these initiatives are a recognition of the important economic role of transportation in our country and will permit the trucking industry to work under more uniform rules in each jurisdiction, thus facilitating economic development throughout Canada.

I might point out, Mr. Speaker, that these developments do not affect the Provincial Government's Task Force on Motor Carrier Regulations as they apply to trucking within the Province of Manitoba but, as stated, deal strictly with extra provincial trucking.

I look forward to signing a Memorandum of Agreement in the fall on re-regulation of extra provincial trucking.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. The trucking industry obviously as recognized by the Transport Ministers' Conference and the Federal Minister of Transportation is indeed an engine for growth and economic renewal and revitalization in Canada. It has, over the past number of years, I suppose, been subjected to varying and differing legislative requirements throughout the provincial jurisdictions in which interprovincial trucking takes place.

That problem has been recognized for some years and, back three and a half years ago, I had the pleasure, along with nine other signing provinces and territories, to relieve some of the regulatory burden in interprovincial trucking and the licensing of that by signing a national reciprocity agreement on trucking. It would appear as if some of the initiatives taken at this recent meeting would be extending to other jurisdictions the attempt to allow truck transportation to speed and provide an efficient and less costly transportation option across Canada.

At the same time, the Minister is probably familiar with a number of the size, length and weight restrictions that are currently varying between provinces and, no doubt, that may well be part of - or should be part of - the September agreement because that has been under study for some three years.

This recognition of the trucking industry from a national perspective is indeed welcome on this side of the House, Sir, and I hope that it bodes well for the Provincial Government in future budgets to recognize the importance of the trucking industry, something that I and others on this side have pointed out in past budgets that they have not done.

Payroll tax has had a harsh effect on the rate structure in the Province of Manitoba and its competitive position in interprovincial trucking, as has had the selective selection by the Budget two years ago by increasing the diesel fuel tax which impacted directly on the trucking industry and the rates they must charge.

The payroll tax was specifically singled out a year and a half ago, Sir, under rate application, before the Motor Transport Board, where the payroll tax was singled out as a cause for a need, for an increase in freight rates specific to Manitoba. So those taxation measures on the one hand, have put a burden on the trucking industry in Manitoba and I hope now, with this national recognition that the Minister has agreed to at a national conference, he focuses some of that attention provincially and maybe would be able to persuade his colleagues to remove some of the tax burden imposed provincially on the trucking system.

More importantly, Mr. Speaker, I would want to hope the Minister of Transportation, in the discussion in

Cabinet of the new labour legislation as proposed by his colleague next to him, seriously considers the impact of that labour legislation on the trucking industry and the private carrier industry in this province because that could, in one fell swoop, undo any of the good measures that he's attempting to accomplish on a national basis by imposing labour laws which will impede the ability of the Manitoba based trucking industry to compete on a national basis with firms located in Alberta, Saskatchewan and Ontario that compete for common business across this country.

So I caution the Minister to continue on his very good national scope and now concentrate his focus on changing some of the onerous policies that are impacting adversely on the trucking industry provincially.

NON-POLITICAL STATEMENT

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, as Deputy Premier, I beg leave of the House to give a non-political statement.

MR. SPEAKER: Does the Honourable Minister have leave? (Agreed)
The Honourable Minister.

HON. M. SMITH: Mr. Speaker, I rise to remind the House and all Manitobans that today is a day for reflection, a time to pause and to turn our thoughts back to a not so distant past.

It was 40 years ago today, while the world was deep in the throes of total warfare, that forces from the allied nations landed on the beaches of Normandy, France to begin a struggle that would alter the fated of that war, and indeed determine the destiny and future of the world as we know it today.

As we well know, that great landing force was bolstered to a large and important degree by thousands of Canadians including many from Manitoba wearing the uniforms of the Royal Winnipeg Rifles, the Fort Garry Horse and those of many other Canadian units on land, on sea, and in the air. Those Canadians and Manitobans distinguished themselves that day, as they did in the days and weeks that followed and in the 11 months which ensued as the allied forces continued in their push which eventually resulted in the liberation of France and the rest of Western Europe.

The immense contributions made by Canadians to the allied cause 40 years ago was not without terrible cost in human terms. The toll and suffering of human life was great, as the Canadian headstones in the cemeteries of Europe painfully remind us.

Today, thousands have returned as pilgrims to these same shores, many as veterans who still carry with them scars and remembrances of that day and their fallen comrades, those who paid the supreme sacrifice in pursuit of the freedom that we hold so dear today.

Mr. Speaker, we wish to couple our thoughts with those gathered today in France, to acknowledge the significance of the 6th of June and use the solemnity of this occasion to remind ourselves that the liberties and privileges we enjoy today were wrested free as a result of the heroic efforts of so many, those who

contributed to the struggle for peace on the home front and by those who made the supreme sacrifice in the skies, on the beaches and soil of faraway lands.

To those who never returned, to those veterans who remain here in Canada, and to those who are a part of the Royal Canadian Legion delegation to France, we wish to pay our special respects and deepest tribute of thanks for the roles they played and continue to play which help ensure that we do not forget.

Such remembrances should compel us all to continue to carry the torch and to live up to our collective responsibility to serve as peacemakers, so that never again will our young nor the people of the world have to relive the tragedy which befell our planet over 40 years ago.

MR. SPEAKER: The Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker. On behalf of the members of the opposition, we wish to thank the Deputy Premier for her statement today. We wish to associate ourselves fully with the remarks that she has made on the occasion of the commemoration of the historic event that was known as D-Day, the allied invasion of Normandy.

Today, of course, this particular occasion is being commemorated in France by Her Majesty the Queen, Prime Minister Trudeau and many other world leaders. It's well for us to reflect upon some of the things that come to mind as a result of this particular commemoration.

I think it was indeed significant to note that many Canadian troops were involved, and particularly units from Winnipeg distinguished themselves in that particular effort. I think as well we should acknowledge with thanks the sacrifices that were made by many members of Manitoba and Canadian families who were involved.

In particular, I think, Mr. Speaker, it's well for us to reflect upon, at this time, the ravages of war and as elected representatives, to dedicate ourselves to the goal of everlasting peace in our country and in the world.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. R. PENNER introduced Bill No. 15, The Canada-United Kingdom Judgments Enforcement Act; Loi sur la Convention Canada-Royaume-Uni en matière d'exécution des jugements.

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions may I direct the attention of honourable members to the gallery. We have 10 students from the Community Services School under the direction of Ms. Young and the school is in the constituency of the Honourable Minister of Community Services.

There are 35 students of Grade 5 standing from the Elmdale Elementary School under the direction of Mrs. Baker. The school is in the constituency of the Honourable Member for La Verendrye.

On behalf of all of the members, I welcome you here this afternoon.

ORAL QUESTIONS

David Shrom

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker, I have a question of the Minister of Labour and would ask her whether she could advise the House whether the David Shrom who was hired by the government at \$600 a day is the same David Shrom that has acted and assisted in legal action and acted as counsel for the Manitoba Food and Commercial Workers?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M.B. DOLIN: Mr. Speaker, I certainly do not keep track of Mr. Shrom's cases. I have no idea whether he has acted for them or not. I don't know who his clients are. He is a lawyer with a legal practice.

MR. SPEAKER: Order please, order please. Order please.

The Honourable Member for La Verendrye.

MR. R. BANMAN: Mr. Speaker, I wonder if the Minister could confirm that the United Food and Commercial Workers and its affiliate, the Manitoba Food and Commercial Workers, accounted for some 70 percent of the man days lost in 1983 in Manitoba?

MR. SPEAKER: Will the Honourable Member for La Verendrye confine his questions to matters within the administrative competence of the government?

The Honourable Member for La Verendrye.

MR. R. BANMAN: Mr. Speaker, I'd like to ask the Minister, since the government hired a lawyer who has been working with the union that has accounted for 70 percent of the man days lost in 1982 and that individual is now responsible for drafting labour legislation, does she not consider that a conflict of interest?

MR. SPEAKER: Order please, order please. Order please.

The Honourable Minister's opinion is not a suitable subject for Oral Questions.

The Honourable Member for Turtle Mountain.

Potash mining - David Dombowsky

MR. B. RANSOM: Mr. Speaker, I have a question for the Minister of Energy and Mines. Can the Minister of Energy and Mines advise the House whether or not David Dombowsky, the former head of the Potash Corporation of Saskatchewan, is presently engaged as a consultant with respect to Manitoba's potential potash developments?

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

HON. W. PARASIUK: Mr. Speaker, yes, he is engaged by the Government of Manitoba to do work for us,

especially seeking out markets for the potential potash mine that we have.

MR. B. RANSOM: A further question to the Minister, Mr. Speaker. It was reported in the Financial Post last week that Mr. Dombowsky was interested in having an ownership position, an equity position, in Manitoba's potash development, or at least the marketing thereof. Has this possibility of Mr. Dombowsky's equity position been discussed with the Minister or any of his staff?

HON. W. PARASIUK: Mr. Speaker, I in fact noticed that statement in the Financial Post as well. When Mr. Dombowsky had been hired he indicated, that at some stage he might have some interest with the consortium. I said at that particular time, I would want sufficient lead notice so that there would be no conflict of interest, and that he was either acting on behalf of the government, at which point he would be acting for the government and under our control and direction, or at such time as he wanted to be part of a consortium then that would be an option, Mr. Speaker.

I certainly see Mr. Dombowsky as a very valued consultant to us. He has opened up and helped open up market possibilities in China and in India. Mr. Speaker, I can say, categorically, that's one of the reasons why we do have a very good arrangement with Canamax, because they do understand that it's Manitoba that has the marketing expertise by making sure that we have people like Mr. Dombowsky available working for us, that we do have a joint venture possibility with them.

MR. B. RANSOM: Mr. Speaker, I think the public might have some concern about a possible conflict of interest between Mr. Dombowsky negotiating arrangements and then becoming a participant in the application of those arrangements. I would ask the Minister what guarantees he can give to the people of Manitoba that their interests are going to be protected and that, indeed, Mr. Dombowsky will not be benefiting from inside knowledge that he has gained through his capacity as a consultant to the Government of Manitoba?

HON. W. PARASIUK: Mr. Speaker, I think that's a valid concern on the part of the member, and I will make sure that provision is ensured. I have been very concerned about that because when I was looking at what was taking place between what the Conservative Government did in their negotiations with IMC, I found out, Mr. Speaker, that the former Legal Counsel to the Conservative Premier at the time then was engaged in working out the detailed negotiations for IMC against the government. I was concerned about that, Mr. Speaker, and I wish the Member for Turtle Mountain was as concerned at that time as he is now.

I raised that point a while back, Mr. Speaker, I will make sure that there will be no conflict of interest in this situation, as there may have been in the past.

MR. B. RANSOM: Mr. Speaker, I have a question for the Deputy Premier. It has become evident that the Minister's desire to keep information hidden from this House and not release details of what was going on and, indeed, would not tell us 10 days ago who the

consultants were, it is evident now that is a bad public policy, and my question to the Deputy Premier is, will she use her influence as Deputy Premier to urge the Minister of Energy and Mines to make available all information relative to negotiations, all information that is not of a nature that must be kept confidential because of the proprietary nature of the information?

HON. W. PARASIUK: Mr. Speaker, since that question, in fact, relates to my area and I did take as notice a question from the Member from Turtle Mountain, I can inform him that at that particular time we were under detailed negotiations with a firm that had done engineering work for the previous government in looking at the specifics of the potash deposit. Those negotiations were just in the final stages, and the company that he is aware of is called Robertson.

That is the company that we're using to do the engineering work, Mr. Speaker. It's the company that they used, Mr. Speaker. We wanted to make sure that contract was in place, so when we have that type of imputation that we just heard from the Member for Turtle Mountain, we should consider the record of both governments, a record in providing information and, secondly, a record of performance. There's a big difference between the Conservatives and the New Democrats.

Hydro power - sale of

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to the Minister of Energy and Mines.

It's been some time since he made the announcement with respect to power sales to Northern States Power. We were given to understand that further details would be forthcoming, or would be available to us at the time or perhaps even prior to the time of the Public Utilities Committee meeting hearing and reviewing the Annual Report of Manitoba Hydro. Can the Minister of Energy and Mines still give us the assurance that the detailed information with respect to that contract will be available to us?

HON. W. PARASIUK: Mr. Speaker, the negotiations are proceeding. They haven't been concluded yet. I certainly would hope to - and I say that if it requires that the Public Utilities Committee be held after, and we've made that commitment, the Public Utilities Committee will be held after that material is made available to the members of the opposition.

I can't give you a specific date as to when those negotiations would be concluded, but I would remind the member that there are a number of other negotiations under way as well. I would think that it would be in the interests of Manitoba to make sure that we treat the information that is provided to members of the opposition, treat the information provided in such a way that we do not prejudice the outcome of the other negotiations. I think that would be in the interests of all Manitobans, Mr. Speaker.

MR. H. ENNS: Mr. Speaker, just so I understand the Honourable Minister and I take it, understand more

fully what perhaps the Government House Leader indicated, that the Public Utilities Committee may well meet intersessionally, my question to the Minister of Energy and Mines is, is he telling the House that the Public Utilities Committee will not be apprised of any further information other than we now have until the contracts that he has talked about are concluded in their finality?

HON. W. PARASIUK: I would hope to be able to provide that information as soon as I can, Mr. Speaker, and I'm hopeful that could be done shortly. Then, at that particular stage, the Public Utilities Committee could review that which has been negotiated, Mr. Speaker. The information that has been provided in comparison to past negotiations undertaken by previous governments, is much greater at this particular stage than was provided in the past.

MR. H. ENNS: A final supplementary question to the Minister just to be absolutely sure, the Minister is not going to ask the Public Utilities Committee, not going to ask any member of this House to be part of any of the decision-making with respect to hydro generation, hydro sales that stretch well into the year 2,000 until he has concluded them. Is that what he is telling this House?

HON. W. PARASIUK: Mr. Speaker, if in fact we look through Hansard over the past few years, we will find that government, when the Conservatives were forming the government, they did not present details of their negotiations on the grid to the Public Utilities Committee, Mr. Speaker.

Secondly, when we took office, and I was appearing and the Manitoba Hydro was appearing before the Public Utilities Committee, I can specifically recall instances where I indicated to members opposite that we could not provide information because we were hoping to conclude negotiations. At that time, there was no question from members opposite that this was improper. We can check through Hansard and we can provide documentation as to that specifically, including comments from the previous leader of the Conservative Party, the former Premier of Manitoba.

So, Mr. Speaker, for them to rise now in what I would call mock indignation, given what they themselves did and what they themselves said a few years ago, surely is stretching the imagination of the people of Manitoba as to their credibility.

Garrison Diversion Project

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you very much, Mr. Speaker. I have a question for the Minister of Natural Resources.

The member just returned from a couple of days in Washington where he was meeting with officials. I wonder if he would please give an update as to the results of his negotiations with officials in Washington regarding the Garrison Diversion Project?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Thank you, Mr. Speaker. I want to thank the honourable member for asking the question.

As the members know, the Honourable Member for Arthur and I were in Washington on May 14th and we made a number of calls, 14 in total, to offices on the Senate side of the Houses of Congress. I was down there again this past week over Monday and Tuesday and I made 12 calls again on offices of members of the House of the Senate

A MEMBER: You mean of the Houses.

HON. A. MACKLING: Well, as a matter of fact, Mr. Speaker, I was in both Houses. I did make a courtesy call to an office of the member of the House of Representatives. The honourable members don't appreciate the niceties of American politics. There are Houses of Congress.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. MACKLING: Well, Mr. Speaker, houses apparently have some sort of a sexist connotation with some members. I certainly wasn't looking at that kind of house in Washington. I think Senators and members of whatever they want to call it then, of representatives, would be indignant if they heard the smurking as to the calling of the American institutions that I've heard from opposite.

I was able to visit 12 offices on Monday and Tuesday. Mr. Speaker, I can put it this way, that I have a significant measure of optimism that the upcoming vote in the Senate is likely to be very very close on this matter if there is a vote at all.

Mr. Speaker, we have worked very hard through our embassy and through our solicitors in Washington and I want to publicly thank the Member for Arthur for his participation in our visit on May 14th through 16th. I think we made a lot of friends. We have made a lot of friends in Washington in our initiatives to the point where it may well be that the proponents of Garrison are forced to reconsider some of their initiatives.

I will have much more to say later on, on this matter, perhaps early next week. There is a vote anticipated in the Senate, on the Senate floor, probably sometime this week. We are working very hard in respect to that.

Peguis Indian Reserve

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. My question is for the Attorney-General.

Last week, the Attorney-General indicated his Prosecutions Department was in receipt of the RCMP investigation report into the burning of the bridge on the Peguis Indian Reserve. Could the Attorney-General indicate whether his departmental staff have discussed that report with him and its implications?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, I received that report at the end of last week. It is in the hands of senior officials

of the department with respect to whether or not charges will be laid in the circumstances, and that decision will be made by the Acting Assistant Deputy Minister who is also Director of Prosecutions.

I expect a decision on that within a week.

Manitoba Mineral Resources Ltd.- Annual Report

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

HON. W. PARASIUK: Mr. Speaker, yesterday, the Leader of the Opposition asked the Acting Premier as to why the Annual Report of Manitoba Mineral Resources Ltd., was changed, the year end was changed from March 31st to December 31st.

The year end was changed to allow them to budget in the same time frame as their partners. Many of their dealings are in fact joint ventures, so that was a practical requirement that led them to change the year end from March 31st to December 31st.

In addition, Mr. Speaker, with the year ending December 31st, it allows the company to keep the Standing Committee on Economic Development, which it reports to more up-to-date on its operations as the material being dealt with would be more current.

Mr. Speaker, I think this is another example of this government trying to be very open with the population of the people of Manitoba with respect to its dealings.

Fishing regulations

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker. My question is to the Minister of Natural Resources.

Can the Minister indicate whether the present sport fishing regulations in the Province of Manitoba have to receive the approval of the Federal Minister of Fisheries?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I didn't catch the word that the honourable member used, the present - can he repeat the question?

MR. A. DRIEDGER: To the Minister then: Can the Minister indicate whether the present sport fishing regulations in the Province of Manitoba have to be approved or receive approval by the Federal Minister of Fisheries?

HON. A. MACKLING: In respect to the sport fishery regulations, I have no report one way or the other. They have been submitted in the usual manner consistent with the practice in the past. I anticipate that there will be no problem with them, but I don't have any specifics on that. I can take it as notice.

MR. A. DRIEDGER: Mr. Speaker, to the same Minister. Is the Minister indicating that he does not know whether

the Federal Minister has to give approval for the regulations or not?

HON. A. MACKLING: No, Mr. Speaker, I am not indicating an unawareness of the rather awkward way in which this province does confirm its regulations. What we do is submit regulations to Ottawa for processing. They have to be the subject of approval in Ottawa and are formally published in the Canada Gazette. That's been the process that has been used for many many years; that is the process that we followed again this year.

There are concerns that that method of promulgating regulations is awkward. There is a consideration that perhaps we should change that. We are certainly going to look at that and see whether that can be done expeditiously perhaps later on this year.

MR. A. DRIEDGER: To the same Minister then: Can he indicate whether the present regulations have received approval of the Federal Minister?

HON. A. MACKLING: I had indicated, Mr. Speaker, that I wasn't aware of the timing on that. I said I would take it as notice.

MR. A. DRIEDGER: Can the Minister then indicate to the people of Manitoba whether the present regulations are valid or whether they are not valid?

HON. A. MACKLING: Yes, Mr. Speaker, they are valid.

Break-ins - police protection

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

MR. G. MERCIER: Mr. Speaker, I have a question for the Attorney-General.

In view of the recently reported statistics that show that the number of residential and non-residential break-ins in Winnipeg have increased from 8,000 to over 12,000, an increase of some 50 percent, could the Attorney-General advise the House if he has requested law enforcement agencies, namely the RCMP and City of Winnipeg Police, to undertake or consider special preventative measures to reduce this crime?

I'm aware of the so-called Sting operation and the arrests that took place earlier this week with respect to people in possession of stolen goods, but has he asked law enforcement agencies to undertake any special preventative measures to combat this crime?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I'm not aware of the particular statistic which the member refers to, and out of what context it is taken, and I would take the question, therefore, as notice and ask him to supply me with the source of that statistic so that I can indeed check with officials in my department as to their analysis of the situation and trend lines, and to discuss with them what step or steps might be taken to deal with this the situation indicated by the statistics if, indeed, they are not susceptible of some other analysis.

MR. G. MERCIER: Mr. Speaker, the statistics are contained in a Winnipeg Free Press article of Tuesday, June 5th and, in the context of discussing increases in residential insurance rates over the next few years as a result of break-ins.

Mr. Speaker, my question is more to the Attorney-General's responsibility in law enforcement and I would ask him, in view of the statistics, and in view of the traumatic effect break-ins have on homeowners when their privacy is threatened in this manner, would he consider asking Crown Attorneys to seek maximum punishment for those convicted of such offences, particularly in view of a 50 percent increase in this crime since 1979?

HON. R. PENNER: Taking the statistic at face value and, therefore, assuming that rather incredible increase in the number of break-ins, I still think it would require much more sophisticated analysis than is suggested in the question.

The simplistic notion that there's an increase in the particular area in a short period of time and, therefore, the remedy is to increase sentences is not borne by any reputable criminology at all. One would have to look at the source of the problem and deal with the many variables that enter into that type of an occurrence.

Certainly, as the member ought to know, we would want to approach the question of sentencing with some diffidence. There is a very wide range of sentences with respect to break-ins and indeed with respect to break-ins at night, the maximum is life imprisonment.

We have, I think, in both the Provincial Bench and in the County Court and the Court of Queen's Bench some very very experienced judges in whom I have a great deal of confidence. They're able to look, as they ought to look, at the individualization of criminal justice and take it on a case-by-case business basis, rather than some sweeping sort of notion, let's hit everybody who comes up before the courts in exactly the same way.

I'm not prepared to accept that as an element of criminal justice policy in the Province of Manitoba but I am, however, prepared to look at the statistic to see what the source of the problem, or sources of the problem, may be if it's susceptible to that kind of analysis.

MR. G. MERCIER: Mr. Speaker, the Attorney-General certainly didn't look at his source of the problem with respect to impaired driving offences and we support his actions in that particular area.

I ask the Attorney-General to speak to any member of the House who represents an urban residential community and he will find that there is an epidemic of break-ins occurring throughout the City of Winnipeg and other urban areas outside the city. Mr. Speaker, I ask him to consider that, in the light of the statistics, and consider that there must be some deterrent action taken by law enforcement authorities with respect to this crime.

MR. SPEAKER: I would remind the honourable member that questions should not make representation or be argumentative.

The Honourable Attorney-General.

HON. R. PENNER: Certainly there's a problem revealed by the statistics; something should be done. You know it's like the old Oxford debate, resolve that the line should be drawn - something should be done - but whether or not what should be done is, as suggested by him, a question which I have and do not purport to answer at this stage without looking much more closely at the statistics, where are these break-ins taking place, what kind of break-ins are being referred to, who is committing these break-ins.

There'll be a case resolution of 35-40 percent which will give us some idea of that. Is this a matter that, for example, pertains to juveniles? How, if at all, will that type of thing be dealt with differently in the Young Offenders Courts we now have, compared to the Juvenile Courts? All of these things have to be looked at and will be looked at.

Wayside parks

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Speaker, I direct a question to the Minister of Natural Resources. The Parks Branch has abandoned specific services and maintenances to several wayside picnic sites and campgrounds during the past year. I'd ask the Minister, can he advise if this was necessary to free up a portion of the money that his department has transferred to the Jobs Fund?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: I didn't get the latter part of the member's question, Mr. Speaker, I wonder if he would repeat that.

MR. D. GOURLAY: In view of the fact that the Parks Branch have abandoned services and maintenance to many wayside and picnic sites throughout parts of Manitoba, can the Minister indicate whether this was necessary so that he could free up money that was transferred to the Jobs Fund?

HON. A. MACKLING: The short unequivocal answer to that, Mr. Speaker, would be a profound, no. However, I would like to correct the misinformation that the honourable member probably inadvertently provided in his question, because he talked about abandonment.

The honourable member knows, and a number of honourable members on that side of the House received a letter from me pointing out that there was a closure of a number of waysides, not many waysides, because of a concern as to the degree in which they had been used by the general public.

In that letter I pointed out that where the use was considerably down and it was, therefore, obvious that we should consider doing something with the ongoing cost of that wayside, that we were: first, offering to the local community; secondly, to any other private group that may have an interest in operating it; and

it was certainly not a course of wholesale abandonment of waysides. Some limited number of wayside parks where the use is down have been closed.

Honourable members who have those waysides in their constituency received a letter from me to give them that full information. I'm sure that the Honourable Member for Swan River was one of those members that received all of that information, Mr. Speaker.

MR. D. GOURLAY: Mr. Speaker, in view of the disappointing tourist trade that we've experienced during the past year, in spite of our lower dollar which would be an advantage to many tourists, can the Minister then have his influence to use some of the Jobs Fund money to reopen some of these wayside parks to enhance our tourist trade?

HON. A. MACKLING: Well, Mr. Speaker, honourable members throughout the course of the Budget Debate, throughout the course of the Throne Speech Debate, always draw to our attention their arguments to cut and eliminate waste within government, and when it comes to efficient operation, where we look at prudent spending of tax dollars, affects their constituency, they cry foul. Mr. Speaker, they blow hot and cold; they're completely inconsistent.

They should be talking about prudent management, and not this side of the House, but that isn't the kind of representation we see across this House, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Minister of Natural Resources, as well, and deals with the same subject.

When these wayside parks that have now been closed were functional the public was not able to use them for overnight camping. Now that they are closed will they be, in effect, open and available for the public to pull into even though they're not maintained and be used for the public to pull in to, even though they're not maintained, and be used for the purposes of overnight camping.

HON. A. MACKLING: Mr. Speaker, I believe the honourable member is correct when he says that wayside parks generally have not been open for public camping. They weren't open for public camping under the previous administration when the honourable member was Minister of Natural Resources either; so the implication in the question, that somehow something was changed, I want to put on the record that nothing was changed in respect to the use of wayside parks. Now that they are closed, he's asking whether or not there may be an opportunity for their use for camping.

That is an option that is available to the local community. We have written to the local communities and offered those wayside parks that are in proximity to the community to consider taking under their administration, or if there is a private entrepreneur in the area that probably could benefit by the utilization of that area, we have offered that as well. So that is open to those communities, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you very much, Mr. Speaker. I also have a question for the Honourable Minister of Natural Resources.

Where the communities in rural Manitoba have demonstrated an increased use of these parks, is it still the policy of the Minister to close them, even though there is an increased use of these parks?

HON. A. MACKLING: The short answer to that, Mr. Speaker, would be no. Certainly, if there is a very substantial need in an area for service, then we're certainly going to look at it, but what is brought to my attention by staff is the number of persons that actually use a facility and what I've asked from staff is a firm administrative approach to public spending and I appreciate the thoroughness of my staff and the effective way that we are monitoring the public spending in this province.

MR. H. GRAHAM: A supplementary question to the Minister. Is the Minister then saying that if a community can demonstrate that there is increased need, increased use, is the Minister then willing to review his original decision to close these parks?

HON. A. MACKLING: Mr. Speaker, honourable members know that Ministers on this side of the House are always prepared to look at the needs of Manitobans, whether it be in the parks system or any other part of government operations; but as I've indicated, the studies of the use that was made of these parks was a sufficient base for the decision. The opportunity exists for communities to get involved in the use of those parks and if they can convince me later on that there is a very substantial need, much greater than was exhibited in the past, then certainly I'll be approachable about that.

MR. H. GRAHAM: Then I would ask the Minister if it's correct for us to assume that the Minister has arbitrarily decided to close parks whether or not there is a demonstrated use, or increased use of those parks, he has made the decision he's going to close them anyway, regardless of what the use is.

MR. SPEAKER: Order please. The question is argumentative. Would the honourable member wish to rephrase his question to seek information?

MR. H. GRAHAM: Mr. Speaker, I don't care to rephrase it.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, my question is to the Minister of Tourism. In view of the fact that the travelling public and tourists who come to this province enjoy roadside parks, and in view of the fact there's always been, as far as I know, and when we were in government, a request for more roadside parks for the convenience of tourists, how does the Minister of Tourism feel about the Minister of Resources closing up roadside parks?

MR. SPEAKER: Order please. The question is not in order.

The Honourable Member for Virden.

Traffic Lights - Whitemud River

MR. H. GRAHAM: Thank you, Mr. Speaker. I have a question for the Honourable Minister of Highways.

I would like to ask the Honourable Minister of Highways if he can tell us why his department is erecting stop lights or traffic lights on two bridges over the Whitemud River on No. 16 Highway?

MR. SPEAKER: The Honourable Minister of Highways.

HON. J. PLOHMAN: It's good, Mr. Speaker, that the member has finally got a question in order. I'll take that as notice.

MR. H. GRAHAM: Mr. Speaker, when the Minister is taking that question under advisement and is going to attempt to find the answer, could he also tell me what the cost of installation of traffic lights on those two bridges would be?

HON. J. PLOHMAN: Mr. Speaker, I'd be pleased to find that information, to bring that information forward. Thank you.

MR. H. VIRDEN: At the same time, could the Minister also determine how many student jobs could be provided to provide traffic direction to the public of Manitoba in lieu of the stop lights that he has installed?

MR. SPEAKER: The question is hypothetical.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to the Minister of Highways and Transportation. Yesterday in an interview with CBC television, the Minister indicated that there had been no changes brought to the merit system that the Motor Vehicle Branch operates, for at least some 10 years.

I wonder if the Minister could indicate to me and to the House which Minister and which government it was that introduced the merit system to the Motor Vehicle Branch and to the driving licencees of Manitoba.

MR. SPEAKER: Order please. I'm sure that historical information is available to all of the members and it should not be a suggestion capable of being asked in Oral Questions.

The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I then rise on a point of order, because I'm sure the Honourable Minister of Highways would not deliberately wish to deceive and/or lie to the people of Manitoba and indicate to them things that are not true. It was in 1978 that a Conservative administration, that the now Member for Lakeside brought in the merit system that was honoured by the Motor Vehicle Branch and the information that he gave to the people of Manitoba yesterday was wrong.

MR. SPEAKER: The Honourable Minister of Highways to the same point.

HON. J. PLOHMAN: Mr. Speaker, I would ask the member to withdraw those allegations. The point is that the reporter made that statement; I did not make that statement.

MR. SPEAKER: Order please, order please. The Honourable Member for Lakeside to the same point.

MR. H. ENNS: I do apologize to Mr. Bill Morin of the CBC. He did make that statement. However, I notice that the Minister of Highways was shaking his head and saying, yes, he was about to start making some changes and reviewing the merit system that hadn't been touched for some 10 or 12 years.

MR. SPEAKER: The Honourable Minister of Highways to the same point.

HON. J. PLOHMAN: Mr. Speaker, I clearly, on the same point of order, did not say that I was making changes to a system that was in place by 10 years. The reporter mentioned the term of 10 years. I never agreed or disagreed with that statement. That is quite clear.

MR. SPEAKER: I thank honourable members for that explanation.

The time for Oral Question has expired.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please. Prior to Orders of the Day, may I direct the attention of honourable members to the loge on my left. We have a former member of this Assembly, Mr. George Henderson.

On behalf of all of the members, I welcome you here this afternoon.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker. Would you call the bills on the Order Paper for second reading, Sir?

I would propose that we would deal with the motions for second reading on those bills and then, Sir, I would propose to move into Committee of Supply. I understand that we would be considering - if there is sufficient time to go into Supply between now and 4:30 - the balance of the Estimates, Small Business and Tourism, particularly the Tourism section, and commencing consideration of the Estimates of the Minister of Co-operative Development.

Mr. Speaker, before you call the bills, I would also like to announce that the Standing Committee on Public Utilities and Natural Resources will meet on Tuesday, June 19th, to finish its consideration of the report of the Standing Committee or of the Manitoba Telephone System in that Standing Committee.

SECOND READING

BILL NO. 4 - THE BLOOD TEST ACT

MR. SPEAKER: The Honourable Attorney-General, Bill No. 4.

HON. R. PENNER presented Bill No. 4, The Blood Test Act; Loi sur les analyses du sang, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Thank you, Mr. Speaker. My explanatory remarks will be brief. I think, first of all, it should be noted that there presently exists in the statute books of the Province of Manitoba a Blood Test Act which was introduced by the previous administration in 1980.

The Blood Test Act, Bill 4, strengthens the previous Blood Test Act assented to in 1980 in three areas. As a result of the first Blood Test Act, some concerns were raised with respect to the exemption from liability - of course, that's civil liability - provided by the first act, and whether or not all hospital staff were protected from what is known in law as vicarious liability, that is, liability for the acts of another. As the result of these concerns, three basic changes are being proposed to the legislation.

Firstly, with respect to who is primarily exempt from civil liability for what is known normally as trespass to the person, hitherto the act has dealt with doctors and doctors only. Now the exemption from liability is extended to practitioners. A definition has now been given to the word "practitioner" which is more expanded over the previously duly qualified medical practitioner and now would include a registered nurse and a duly qualified lab technologist.

Secondly, Mr. Speaker, with respect to the exemption from liability, because of the new and wider definition of "practitioner," the exemption from liability has been somewhat expanded, and there has been a clarification with respect to the circumstances in which such a sample may be taken. The words ". . . without the consent of the person where the consent cannot reasonably be obtained . . ." have been added to the specific section creating the exemption. This is intended to clarify the circumstances in which a blood sample can be taken.

Furthermore, in that same vein, that is, exemption from liability, the exemption from civil liability is expanded to afford protection from liability not only to the health practitioners who are defined, but to owners and employees of the hospitals.

Finally, with respect to an issue that, of course, arises in every professional area, that of confidentiality, a further amendment permits the disclosure to a peace officer of the results of the blood sample analysis by a person authorized to take such a sample or by a person authorized to analyse such a sample. Exemptions from liability in this instance, and again that's exemptions, of course, from civil liability, is also extended to the owner of any hospital and its employees just as the primary exemption from liability is.

I would just want to add two additional comments. This is not, as was the legislation recently passed and recently ruled invalid in B.C., an attempt to create a legal obligation on the part of a person upon whom a demand is made to give a sample of blood for purposes of analysis with respect to alcohol content. That, I have always held, and the law, I believe, now firmly

recognizes, amounts to criminal legislation, and is therefore solely within the jurisdiction of the Federal Government.

I think, in this connection, we should note that the Minister of Justice as part of his criminal law amendment package has introduced a provision - whether or not it will be dealt with before the prorogation of the present Parliament, I don't know - which would indeed call for that kind of criminal procedure and that kind of criminal punishment where there is a failure to give a blood test. That's not what we are dealing here with at all.

We are dealing with very narrow circumstances that, to the best of my knowledge and belief, have not given rise to any problems or concerns where a health practitioner takes a blood sample in instances where consent cannot reasonably be obtained, in order to have it analysed for the alcohol level. It's the view of law enforcement authorities that there are many instances indeed in which the question of whether or not there has been an incident of impaired driving giving rise to the accident, that the evidence is simply not available in any other way.

Having said that, that of course does raise a question which I will be the first to admit gives me some pause and some concern, and that is whether or not even in this very narrow way where all that we're doing really is creating an exemption from civil liability, whether or not this trenches upon the rights of individuals guaranteed by the Charter. I will say that I have had representations made in that connection, and I expect representations may be made at the committee stage.

I think what has to be said about that is this, of course, that here as elsewhere the difficulty of drawing that fine line between valid and acceptable law enforcement techniques and the fundamental rights of individuals, the difficulty of defining that line is enormous. Fortunately, we have, I think, in the Charter an instrument which allows the courts to take into account a whole number of factors, and to determine whether any limitation or imposition upon the rights of individuals amounts to something that is unreasonable from the point of view of standards acceptable in a free and democratic society.

I am confident that is the appropriate body, that is, the courts using the Charter is the appropriate way to test that very difficult question. I am confident obviously in introducing this legislation that, far from overstepping that fine line, we are well within that which is acceptable in a free and democratic society, recognizing, as the vast majority of our population do that driving is a privilege. With that privilege goes certain rights and responsibilities. Indeed, just as we are required to have and to be able to submit to inspection, registration, driver's licence, safety equipment, so too we have the right to expect some inspection, if you will - I use the word in a parallel sense - that the person behind the wheel is safe and is driving in an acceptable way.

This, I conclude, is legislation which forms part of the package I announced in the House a couple of weeks ago where, pursuant to the second phase of the ALIVE campaign, we are taking strong steps with respect to safety on the highways.

MR. SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you very much, Mr. Speaker. The argument of the Attorney-General is probably very

well-founded, and one that most of the people in the Province of Manitoba can probably accept. But, Mr. Speaker, I recall a time several years ago, probably before the presence in this House of the present Attorney-General, when we had a small bill that was introduced by the Honourable Member for Inkster at that time who was Mr. Sid Green. It dealt with a rather simple little issue about whether or not the administrator of a hospital could order a blood test. At that particular time, Mr. Speaker, the House, I think, was in general agreement that that should occur. The subject matter was sent to the committee to hear testimony from the public. During four and a half hours of one person appearing before that committee, this Legislature, in its collective wisdom, decided that that was not the proper case to proceed.

It was only the testimony of one person appearing before that committee that changed the minds of the majority of members of this Assembly. It was a question dealing with the transfusion of blood. In this particular case, we're dealing with blood tests.

So I want to warn the Attorney-General that there are certain elements in society that become very alarmed whenever you start dealing with human blood. It's entirely possible, when this bill goes before committee, that those same elements in society that were very successful at that particular time may come forward again and present an argument.

So I just rise at this time to alert members of the Assembly that there are elements in society that feel very strongly when it comes to third party intervention in the use of human blood. So we could be possibly in for some surprise when this matter goes before committee.

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

MR. G. MERCIER: Thank you, Mr. Speaker. This bill, essentially, and I believe the Attorney-General would concur in this, is a modest expansion of the bill that was adopted by the Legislature in 1980, and by going beyond, including medical doctors, including registered nurses and duly qualified laboratory technologists, we would support the bill. We brought in our bill, The Blood Test Act in 1980, as part of a way of dealing with this problem of impaired driving and the tragedies that have occurred as a result of impaired driving.

Mr. Speaker, when the Attorney-General made a ministerial announcement a few weeks ago, we indicated support for that program, as I believe politicians of all political stripes in this country and in North America would do so, because of the heartache and tragedy in deaths, particularly of young people and middle age people, people of all ages, that have occurred as a result of impaired drivers on the highway.

So we support this program, Mr. Speaker. The Attorney-General has indicated, rightly so, that a driver's licence is a privilege, not a right. If it is abused, and abused in the numbers in which it has been in the past, then the government must take action. The people of this province and of this country are demanding that action be taken to resolve this problem, Mr. Speaker.

So we would support this bill and look forward, as the Member for Virden has indicated, to any public

comment that may be made at committee. As he has indicated, there may very well be some public comment made along the line he suggests. As the Attorney-General had indicated in some of this area, it's sometimes difficult to balance that line that he referred to between the public interest and the rights of individuals, but the magnitude of the problem, I suggest, Mr. Speaker, requires that Legislatures attempt to deal and resolve this problem in the public interest.

On the basis of the information received so far, we would certainly support this bill, but we look forward to receiving any recommendations that may be made on it by members of the public at committee level.

MR. SPEAKER: Are you ready for the question? Is it the pleasure of the House to adopt the motion? (Agreed)

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to the next item, may I direct the attention of members to the gallery where we have 57 students of Grade 8 standing of the Virden Junior High School under the direction of Mr. Plaiser. The school is in the constituency of the Honourable Member for Virden.

On behalf of all of the members, I welcome you here this afternoon.

BILL NO. 5 - THE HIGHWAY TRAFFIC ACT

HON. J. PLOHMAN presented Bill No. 5, An Act to amend The Highway Traffic Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. J. PLOHMAN: Thank you, Mr. Speaker. It is an honour for me today to introduce Bill No. 5 dealing with mobility aids for handicapped people, as well as the matter of some changes with regard to licence suspension.

In 1982, the former Minister of Highways and Transportation set up a committee to investigate the use of motorized wheelchairs and other mobility aids utilized by disabled persons in Manitoba. The committee included representatives from enforcement agencies, the physically handicapped, and that includes the League for the Physically Handicapped as well as the Canadian Paraplegic Association, and the Motor Vehicle Branch. The committee was of the strong opinion that The Highway Traffic Act should be amended to accommodate motorized wheelchairs and mobility aids.

The bill before the House reflects those recommendations, Mr. Speaker. Before bringing it forward, I met with representatives of all groups concerned, and they expressed their unanimous support of the amendments as stated in the bill which is now before the House.

Mr. Speaker, the bill will divide mobility aids into two categories: motorized mobility aids and mobility vehicles. Motorized mobility aids such as motorized wheelchairs will be designated as those devices with a maximum speed of 15 kilometres per hour and which are not to be registered. They are in the act for definition purposes only.

Mobility vehicles are vehicles specifically adapted or manufactured for disabled persons, which have a maximum speed of more than 15 kilometres per hour but less than 50 kilometres per hour. They will be recognized in The Highway Traffic Act in the same category as mopeds.

Provision for wheelchairs and mobility aids is unique in Canada. No other jurisdiction in Canada has legislation providing official status for mobility aids. This bill will ensure that persons using wheelchairs will have the same rights as pedestrians. At present, they are not recognized under the act as pedestrians.

These amendments are a reflection of our government's philosophy of ensuring, wherever possible, that all people of our province can participate equally in our society regardless of their handicap. I am pleased that I have the opportunity to bring these amendments forward at this time.

Mr. Speaker, the second area of the bill, amending The Highway Traffic Act deals with changes to licence suspensions and the ability to appeal licence suspensions under the act. We are bringing in amendments to limit the provision for appeals in order to reflect the deep concern raised by the public with regard to drinking and driving.

Currently, a suspended driver can appeal to the Licence Suspension Appeal Board and then to the County Court. Mr. Speaker, this bill will eliminate the second appeal mechanism from the Licence Suspension Appeal Board to County Court.

Last year, 87 percent of the petitions received by the County Court resulted in reversals of, or changes to the Board's decisions. In most cases, the court overturned the Appeal Board's rulings. Eliminating this second appeal will allow the board to be the final authority to deal with the matter of licence suspension for drinking and driving offences in a firm yet compassionate way, Mr. Speaker. At the same time, it does not prejudice a person from appealing to County Court on a point of law.

It should be noted that, where a suspended driver has changed his involvement with alcohol or other circumstances have changed, amendments to the act included here today will allow for the licence suspension to be reviewed by the Licence Suspension Appeal Board after one year, rather than having to wait for three years for a review as is presently the case.

Mr. Speaker, Bill 5 reflects the changes in Manitoba society. One section reflects the increasing participation of disabled persons in our society, and our government's promotion of that reality; and the other section reflects Manitobans' attitudes toward drinking and driving and our government's desire to do all that is possible within our jurisdiction to eliminate that reality.

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

MR. D. ORCHARD: Mr. Speaker, I would move, seconded by the MLA for Swan River, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General, Bill No. 8.

BILL NO. 8 - THE SECURITIES ACT

HON. R. PENNER presented Bill No. 8, An Act to amend The Securities Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. R. PENNER: Mr. Speaker, Bill No. 8, An Act to amend The Securities Act provides for amendments which are primarily intended to achieve or provide a mechanism for achieving greater uniformity of securities legislation in this province with the legislation of other provinces.

At the present time, Bill 72, The Securities Act (1980) has not been proclaimed, and it is not anticipated that proclamation will take place until such time as that bill can be amended to reflect amendments which are expected to be made, indeed expected to be made fairly soon, in The Securities Act of the Provinces of Alberta and Ontario. It is very important for us to keep pretty well in a lock step with these provinces primarily.

In the result the securities legislation now in effect in this province is rather substantially different from that in effect in Alberta, Ontario and Quebec. This lack of uniformity has created difficulties in the industry, difficulties which will increase should amendments be made to the securities legislation in other provinces. So what we are doing here in introducing these amendments is just attempting, as it were, to keep roughly abreast until we have had a chance to look in some depth at proposed changes in other jurisdictions, and bring in what may be substantial amendments to Bill 72, as yet unproclaimed.

To alleviate against the problem of lack of uniformity in certain technical problems with the existing Securities Act, in one section of the proposal we will be granting to the Manitoba Securities Commission broader exemption-granting powers than are presently contained in the act. The new provision is similar to powers contained in Alberta legislation, and is consistent with the manner in which the Ontario Securities Commission interprets its exemptive powers under the Ontario act.

Other sections of the proposed amendment merely correct references to The Credit Unions Act.

Another section deletes certain qualifications to the sub-clauses which are not contained in the securities legislation of other provinces, nor in corresponding sub-clauses in the unproclaimed Bill 72. This particular amendment will clarify the availability of the exemption granted by the sub-clause.

The third section clarifies the exemption under the act for securities issued by co-operatives. The effect is that the issue of securities by Manitoba co-operatives will be subject to the provisions of The Co-operatives Act. The issue of securities by extra provincial co-operatives, other than securities qualifying a person as a member of the co-operative, will be subject to the provisions of The Securities Act, and that, I think, is appropriate.

Another section of the proposed bill amends the existing private placement exemption in two respects. It extends the availability of the exemption to sales of

securities to individuals, while at the same time it increases the required purchase price threshold from 97,000 to 250,000; that simply reflects a change in market conditions. This amendment is being put forward at this time in anticipation of a similar amendment to The Securities Act of Ontario.

This section would come into effect on proclamation, but it would not be intended to proclaim this section until a similar amendment is passed and takes effect in the Province of Ontario. In other words, we want to be ready to keep in step in this significant regard.

Another of the proposed amendments in the bill amends the requirements of the contents of auditors' consents which are required to be filed with the prospectus, so that the requirement in this province will be the same as in that of other provinces.

The Securities Commission has urgently recommended that we proceed with these amendments in order to alleviate against problems resulting from the lack of uniformity of our securities legislation with that of other provinces.

I simply want to add, Mr. Speaker, and to assure the House, that we are by no means with these amendments weakening the watchdog role which an arm's length Securities Commission must play. I think we can be rather proud of our Securities Commission under the distinguished direction of Mr. Murray Peden and the care which Mr. Peden, the legal staff and the investigative staff of the Securities Commission takes.

I would note that this bill is particularly important because the workload of the Commission, reflecting the general upturn in the economy, has increased enormously between two fiscal years ago, and the last fiscal year, to the extent where there were something in the order of 450-plus filings with the Commission in fiscal 1983-84, a very high number. That hasn't, by any means, even though there has been no staff increase, lessened the attention that the Securities Commission is paying to the requirements that potential investors be protected. Nothing that is being proposed here weakens the role that the Securities Commission plays in that respect.

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

MR. G. MERCIER: Mr. Speaker, I have a question for the Attorney-General. Mr. Speaker, could the Minister advise the House why the government is not proclaiming The Securities Act which was passed, rather than simply amending the old Securities Act? The statement indicates that they are waiting until such time as Bill 72 passed in 1980 can be amended to reflect amendments which are expected to be made, further amendments in the future. Would it not be more logical to proclaim Bill 72 which was passed in 1980, and proceed on the basis of that bill?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I suppose that's a question with two edges in the sense that it begs a return question which I only ask, of course, rhetorically why the previous administration, having passed the bill in 1980, didn't proclaim it in 1981 or 1982.

In any event, what has happened is that there have been significant changes in the marketplace and in the legislation of other provinces, more significant changes, in fact, being anticipated as a result of recommendations which have been made, particularly to the Government of Ontario. Senior officials in the securities commission and, indeed, in the department, advise as a cautionary mode that it would be better simply to make the amendments here proposed to The Securities Act as it presently exists just to make sure that we are keeping up and to see, in fact, what the amendments which are being considered, which of those will be made in the other provinces - Alberta and Ontario particularly - so that when we do look at proclaiming Bill 72, before we do it, we can consider whether or not it ought to be amended.

It certainly looks as if it will require substantial amendment and not because - let me be clear, we're suggesting it was a bad bill at the time - of what has happened in the marketplace since.

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

MR. H. ENNS: Mr. Speaker, I move, seconded by the Honourable Member for Arthur that debate be adjourned.

MOTION presented and carried.

BILL NO. 9 - THE LIQUOR CONTROL ACT

HON. R. PENNER presented Bill No. 9, An Act to amend The Liquor Control Act for second reading.

MOTION presented.

MR. SPEAKER: Order please. The Honourable Minister.

HON. R. PENNER: Mr. Speaker, amendments to The Liquor Control Act are proposed which provide the following:

First of all, we will remove from the Public Utilities Board its involvement in beer pricing and, thus what would happen, de jure, as they say and would really be what is happening de facto, that is that the price negotiated between the brewers and the Commission will be final. In every circumstance when representations and application has been made to the Public Utilities Board, since a lot of work by experts has already gone into the pricing arrangement, the Public Utilities Board has accepted a negotiated price, because indeed there is an arm's length relationship between the Commission and the industry.

Mr. Speaker, with respect to the issuance of licences, we previously restricted the issuance of licences to citizens. We're extending that to landed immigrants on a discretionary basis. That is, licences may be issued to individuals who are landed immigrants.

A number of changes to the act will permit what are called "min-pubs." There is one in the city, an establishment, the name of which I cannot mention in this House because of strictures against in-House advertising, ready to go with what may be the first min-pub in Canada. I think it's a very good feature. It adds

a certain élan to the industry, certainly to the tourist industry. In fact, we think it may be the basis of a distribution component for such facilities in other parts of North America. This will allow the Commission to issue brewers' licences to liquor licencees within, let us say, a hotel or a motel, in association with a beverage room for the manufacture of beer on the licensed premises, but for sale and consumption only in those premises.

Again, as an amendment with respect to the hours of service, there are amendments proposed which will give the Commission discretion to extend the hours of sale, service and consumption of liquor in licensed premises in areas where events of provincial or national significance are occurring. Sometimes a very large national and, indeed, international event is taking place and in association with a particular social event, some relatively minor extension of the hours in which liquor can be sold or served may be granted by the Commission.

A further amendment will allow licencees to cash any cheque in their licensed premises, if they so desire.

Mr. Speaker, a change of some perhaps more than marginal significance is also being proposed with respect to the vital question - wouldn't you agree, Member for Lakeside? - of the ratio between the sale of food and the sale of liquor. The Commission, of course, will still be attempting to maintain a close balance between the consumption of food or the sale of food and the sale of liquor. What this amendment recognizes is a significant change in the food and restaurant business where you have now a kind of an inequity. An expensive restaurant, and we have some first-class, world-class restaurants in Manitoba - perhaps one or two in Lakeside, I haven't checked that out - where, because of the price of the meal, the amount of liquor which may be sold is proportionately very high. You have, and this is an important development in the industry and . . .

A MEMBER: Because of the tax increases in Lakeside there's very little liquor sold.

HON. R. PENNER: Ah, but there's more liquor consumed. The question is, where is they getting it?

There are a number of smaller establishments, not only in my constituency but in other areas, where relatively small meals are being served, but nevertheless small in price but perhaps substantial in quantity and this will allow a certain amount of flexibility where in some instances it would not even be possible to allow someone to purchase with a meal in a lower priced establishment of that kind, a bottle of wine, and this will allow the Commission some discretion in adjusting the ratio to take care of those developments.

Mr. Speaker, a further amendment deals with the disciplinary powers of the Commission and the Commission, I may say, not only fulfills a marketing function, which it does very well, but it also continues to fulfill the control function that has been very much a part of the history of liquor merchandising in the Province of Manitoba. It calls licencees up on the mat, as it were, frequently where inspectors have found some infraction of the conditions of the licence.

The difficulty has been that sometimes the infractions are relatively minor and do not show a persistent course

of conduct in breaching the conditions of the licence. The proposed change would allow the Commission in certain circumstances to issue a warning rather than to give as what is now the lowest part of the range of punishment, a mandatory suspension, because in many establishments, the suspension of the licence even for one day, is the equivalent of a fine of several hundred dollars. That is, indeed, an inordinately large penalty for what might be a very minor infraction. I think it's often very good to play the preventive role of a warning in those kinds of circumstances.

Of course, there aren't that many licencees. The Commission will be keeping close control and if a licencee has failed to heed a warning, the Commission, no doubt, will move up to the level of suspensions.

A final provision, and one with respect to which I did not obtain the prior consent of the Member for St. Norbert, for which my apologies, but this is something that has emerged in very recent times where courts have commented with respect to a power contained in the act to allow inspectors to enter premises and search and seize liquor without warrant. It has been said that this is probably in breach of the Charter. I am happy to be able to bring in an amendment which will remove that power. The inspectors will still, of course, be able to go on to premises in reasonable hours to make sure that the conditions of the licences are being observed, but the search and seizure provision of the act which allows search and seizure without warrant is being removed because I'm very much of the view, this government is very much of the view, that there ought not to be search and seizure without judicial imprimatur, without judicial warrant, and that change is being proposed. I recommend these amendments.

MR. DEPUTY SPEAKER, P. EYLER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Speaker. As the Attorney-General indicated we had reviewed the proposed act earlier and I had indicated to him that, subject to proper consideration of any representations or opinions from members of the public at committee level, we could generally support the bill that is before us.

I wish to bring to his attention that we do have a serious concern with respect to the amendment to Section 9 of his act, with respect to the food-liquor ratio and we would like to hear, certainly from the groups and individuals who will no doubt come before the committee and make representations on that particular subject, and we would certainly like to hear from the Attorney-General how it is proposed that section would be administered by the Liquor Control Commission.

I think it is generally considered and accepted that good restaurants have no difficulty in living up to the food-liquor ratio that has been set out in the act for many many years and we would like to know the intent of the government, particularly in dealing with that ratio, and how often, for example, the Commission expects that ratio would be varied, to go below the normal 50-50 ratio and under what circumstances, and will there be pressure from individual restaurants. Because, from the wording of the section, it would appear that there

will be certain preferential treatment, if that's the proper terminology, given to selected licensees and that could cause a great deal of problems for the Commission and for the Attorney-General in the future, should he have to be made subject to that type of pressure. So we do have some concerns about that particular section and we look forward to hearing public representations and hearing from the Attorney-General at the committee level how he anticipates that section would be administered by the commission.

MR. DEPUTY SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I just had a question I would like to ask the Attorney-General concerning the food-liquor ratios, I assume, for cabarets and restaurants. I wonder if he could just clarify whether that's going to be moved from a fixed figure of - I don't know if it's 25 or 50 percent now - 50 now, whether that will be moved down to a figure of, say, 25 or whether it means that there will be a ratio simply under 50 percent depending on circumstances. Is it going from a fixed figure to a fixed figure?

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, I want to make sure there are no other speakers because, in answering, I'll be closing debate, so I'll just take that question as notice.

MR. DEPUTY SPEAKER: The Honourable Member for Brandon West.

MR. H. CARROLL: Mr. Speaker, I'd like to make a few brief comments on this proposed bill.

In general, I support the amendments. I think some of them are long overdue and I think they're very very necessary. My concern is that list of amendments is not considerably longer. The Liquor Control Act should have a far more thorough revision than what the amendments indicate. I think this is overdue and I would hope that the Attorney-General listens to my comments and brings forth further amendments.

There is one amendment that I'm particularly interested in personally, I presented a Private Members' Bill on it last year. There's a great anomaly with respect to supper time closing of beverage rooms; I note that this is not included in this year's package of amendments. I would hope that it would be included in future amendments, or perhaps in a whole new package updating our Liquor Control Act but, as far as the amendments presented today are concerned, they're necessary and I, for one, will support the amendments.

MR. DEPUTY SPEAKER: The Honourable Attorney-General will close debate.

HON. R. PENNER: Thank you, Mr. Speaker. With respect to the issue raised by the Member for Elmwood, it's not anticipated that there'll be very much variation from the 50-50. Certainly I'm assured that the

Commission doesn't intend to exercise their discretion to go to the kind of variance suggested in his question.

But looking toward the development, particularly of what I think are very good social institutions, such as, the wine bars. You have in wine bars quite often a menu which - if the Member for Elmwood will excuse me - has a prix fixe, a fixed price at a relatively low rate, say \$3.95, for certain types of meals that are consumed. People going in, of course, will have to buy food, you can't go in just to buy the liquor and quite often the type of wine that is consumed will be - given the corkage that's charged - in the ratio of \$5, \$6, \$7, \$8 a bottle. If somebody wants the prix fixe meal and a bottle of wine, the 50-50 ratio would be very hard to observe because everybody going into that kind of an establishment would likely be going in, not just for a meal, but for a meal plus wine, and so it's that kind of flexibility, to take into consideration these type of facilities that the amendment is being proposed.

With respect to the issue raised by the Member for Brandon West - and I'm aware of his concerns - and indeed I think there are major questions yet to be addressed in The Liquor Control Act, stemming in part out of . . .

A MEMBER: There are, indeed.

HON. R. PENNER: Yes, I'm waiting for your permission, as soon as I get it, we might go. Stemming from the Michener Report, having to do with supper hour closing, things of that kind, but I didn't feel that this was the appropriate Session to deal with them, and indeed want to look at occasional licenses, want to look at the question of . . . We have about 26 classes of licenses, something like that, and it's a recommendation of the Commission, I think a good one, we might reduce these down to about 12. So there are these kinds of major aspects of the legislation that I want to address and perhaps bring in in the next Session.

QUESTION put, MOTION carried.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Deputy Speaker. I'd like to move, seconded by the Attorney-General, that you do now leave the Chair and the House resolve itself into a Committee of Supply to consider of the Supply to be granted to Her Majesty.

I would add, parenthetically, Mr. Deputy Speaker, that we would be in Co-operative Development in the House and in Tourism in Committee and that we would reconvene for Private Member's Hour at 4:30.

MATTER OF GRIEVANCE

MR. SPEAKER: The Member for Virden.

MR. H. GRAHAM: Mr. Deputy Speaker, I rise at this time on a grievance which I believe is something that is any member's right in this Assembly to rise once during the course of debate to bring forward to the members' attention some matters which probably are not covered by legislation, are not covered by the

procedure of this House, and yet, in the member's opinion, feel they should be aired for the consideration of all members.

Mr. Deputy Speaker, I rise at this time to bring forward a matter that was brought to my attention not too long ago by a constituent of mine. It deals with a matter that probably has more significance in the Province of Manitoba than it does in any other province in Canada. I recognize it's a federal problem and even in the Province of Manitoba, Mr. Deputy Speaker, it involves probably only three constituencies in this province, namely, the constituency of Virden, the constituency of Arthur and the constituency of Turtle Mountain.

What I wanted to talk about, Mr. Deputy Speaker, is a problem that a constituent of mine brought to my attention dealing with the inheritance of oil wells and the problems that could be, shall we say, thrust upon a person who is maybe unsuspecting, but they are suddenly the recipient of a person's will. This lady who wrote me a letter wanted to know the answers to some questions she asked me and she said, I want information regarding a tax which occurs when someone dies and wills his oil rights to his heirs or successors as they may be.

This person said, I am told that if a producing well is involved, the heir is required to immediately pay a tax on the assessment of that well's potential production. She wanted to know if that was true. Well, Mr. Deputy Speaker, I called the Finance Department and I spoke to the Minister of Finance and some of his officials. One of the officials I talked to was the Director of the Mining Tax Acts Branch. He told me, yes, he said, that is true.

The first question this lady asked was, is this information correct? The second part of that question was, would this be a federal or a provincial tax? Well, the answer to that, Mr. Deputy Speaker, is yes, it is true, and it is a federal tax so it, in essence, lies beyond the realm of this Assembly to deal with, other than the fact that if this Assembly decides to give it a degree of importance that I think it deserves, then this province can make a suggestion to the Federal Government requesting that something be done, because further investigation proved that the problem this lady brought to my attention is indeed a rather horrendous problem.

The second question this lady asked me, she said, if the amount of the tax is staggering, does the heir have the right to revoke the oil rights portion of the inheritance while accepting any other bequest? Mr. Deputy Speaker, that's a legal problem, and I can't tell you what legal advice a person would give her. But I would suggest that anybody that attempted to give legal advice on that matter should be one who is well-versed in the significance of the federal tax that is imposed.

The third question she asked me, is the heir compelled to pay the tax or do alternatives exist such as forfeiting them by non-payment of oil rights, etc.? Mr. Speaker, that is rather a curious question. Here's a person who is talking about inheritance and yet is willing to say to government, here, take it; just please don't bother me. The impact of that, I think, should be considered because I am told by legal authorities that that may not necessarily be the case.

Another question she asked is, is the law able to force the heir to keep the oil rights even though it may

cause him hardship, maybe even bankruptcy? My legal advice is that, yes, that is possible. So we're looking at a case where an inheritance can force a person into bankruptcy. I don't think that is the intent. I don't think that would be the intent of the person that makes the bequest and yet maybe ignorance of federal law would place a person in such a position because of ignorance they may say, very well I want some benefit to accrue to a certain person be it my son, daughter, nephew, or whoever I make that bequest to. So, in their concern, they may unwittingly not benefit the person, but cause them hardship.

Well, Mr. Speaker, those - and there were two or three other questions that this person asked me and it caused me enough concern that I asked the Director of Mining Tax Branch for some advice. He gave me his advice and I won't read all of it, Mr. Speaker, but I will read parts of it because when I asked him for this, I asked him knowing that he should also give the same advice to the Minister of Finance, which he did. This advice is, I think, for all of Manitobans.

He broke it down into several questions and with your indulgence, Mr. Deputy Speaker, I would like to quote some of his comments. Now, the Director of Mining Taxes in the province is a Mr. Stan Puchniak who has been with the department many years. When I first asked him about the problem, he said, yes, it's true that the Federal Government does have this authority and do exercise it. But, he says, I don't think it's a serious problem.

So I asked him to investigate and he called me several days later and he said, Mr. Graham, I didn't realize how important and how punitive this tax can be until I started to investigate and took a hypothetical case and worked it out to see what the impact would be on the individual. He said, I was flabbergasted. It is a significant fact.

The first heading that he gave me was the tax implications for a person owning oil producing mineral rights. That's a Canadian resource property. He said the gross oil revenue allocated to the individual is taxed as income from property. The gross oil revenue would be comprised of the mineral rights, owner's net cash receipts from the producing oil company, and his share of the oil and natural gas tax paid on the oil produced.

The oil and natural gas tax paid on his behalf is not deductible for federal income tax purposes. Now, that's a different argument and I won't get into that, but the Federal Government has made some provision to that. The individual is allowed to deduct from his gross oil revenue, a resource allowance equal to 25 percent of the gross oil revenue, and that is to sort of offset the provincial tax.

"Through the Manitoba Mineral Tax Rebate Plan, the Manitoba Government will refund the provincial income tax paid on any provincial oil and natural gas tax in excess of 25 percent of the gross oil revenue." Now that was a change that was made five or six years ago. "This rebate plan will be of assistance for only those wells drilled prior to January 1, 1979, with monthly production greater than 84.9 cubic metres per month. For the remaining wells in Manitoba, the provincial oil and natural gas tax is less than 25 percent of oil revenues."

Then the second question that he addressed, Mr. Deputy Speaker, was the tax implications on the death

of a person owning oil-producing mineral rights. I think the most significant part of this is contained in the first sentence. "The individual is deemed, under The Income Tax Act, to have disposed of his mineral rights for a value equal to their fair market value at the time of death."

Now the implications of that, Mr. Deputy Speaker, are staggering. If there is an oil well that a person has inherited and has a potential of 25 years of production, the Federal Government is not prepared to wait to collect their tax annually, but they are saying that well has deemed to have produced all of that oil at the time of death and it's now taxable. That is what the federal law presently says, Mr. Speaker.

"The fair market value would be determined based on an appraisal. This appraisal would consider the date the oil well was drilled, the estimated percentage of recoverable oil from the producing area, any track factor assigned to a well, and a water flood in the future selling price of oil. When this information is not available, as a rule of thumb, the fair market value has been estimated to be between five to seven times the annual gross oil revenue allocated to the mineral rights owner." That's where definite information is not available, they use a rule of thumb of five to seven times.

"The fair market value of the mineral rights is based as income from property on the tax return of the deceased. It does not qualify for capital gains treatment." Capital gains in federal tax, I believe 50 percent is all you pay. This doesn't qualify.

"The only tax relief to the estate is in the form of an election to pay the tax arising from the deemed disposal of the mineral rights in up to 10 equal, annual instalments. The estate must provide adequate security when making this election. The tax department will accept as adequate security a charge against the mineral rights."

I might also add at this time, Mr. Deputy Speaker, that a person only has 90 days to file an objection to a notice of assessment. So you only have 90 days in order to make that type of election.

Now the third point that he brought to my attention was the tax implications for a person receiving mineral rights as the beneficiary of an estate. These again are the words of the Director of Mining Tax in the Province of Manitoba. "The beneficiary is deemed to have received a Canadian gas and oil expense equal to the fair market value of the mineral rights that arose at the time of death. The beneficiary is allowed under the Income Tax to depreciate this Canadian gas and oil expense at the rate of 10 percent per year on a declining balance basis. The gross oil revenues now allocated to the new mineral rights owner are taxed in the same manner as described in tax implications for a person owning oil-producing mineral rights."

Now what does that mean, Mr. Deputy Speaker? It means that the minute you inherit, you have been deemed to have received the entire amount of fair market value of what the estimated recovery of that well could be.

Then he went on to give me an example of how it would affect a person. The example he gives is: The oil well is drilled after January 1, 1979, and is in its production incentive period. The well is producing - this is for argument's sake - 98.6 cubic metres per month. Now I don't know why he took that figure, but

that's the figure they did. The production in 1983 - and he used the last year - would be sold for \$264 per cubic metre. The mineral rights owner would receive - and in some places this is variable, but in many cases - 15 percent of the oil production from the producing oil companies. The gross oil revenue would be 98.6 times 12 times \$264 times .15 - which is 15 percent - would total \$46,855 a year. That would be the gross oil revenue.

You deduct from that the provincial oil and natural gas tax, which would be \$1,827, would leave net cash receipts of 45,028.00. Now the Federal Government would not accept that figure as being the net cash receipts. They would insist on using the gross, which is 46,855 for their calculations. Taking the 25-percent resource allowance away of \$11,714 would leave you an income from the property of \$35,141.00.

Now the tax is applicable to the above individual on the date of death. The mineral rights owner dies December 31, 1983. The taxpayer's last income tax return would include the fair market value of the mineral rights. The mineral rights fair market value as of December 31, 1983 - here he's using a very minimum; he's not using the known oil reserves; he is using five years, the very minimum rule of thumb that is allowed - would be 46,855 times five for a total of \$234,275.00. That would be the very minimum that they would accept as being the fair market value.

"In 1983, the taxpayer's taxable income was \$33,012 before including the fair market value of the rights. The tax applicable to the mineral rights owner as of that date would be \$129,714.00." This, Mr. Speaker, would accrue to a person who is rather innocent, is the recipient of an inheritance. I would say, Mr. Speaker, that the ordinary person could not possibly pay that kind of tax. So he would have to look for an out, and he only has 90 days to file an objection but he does have an option of making an election to pay the tax over 10 years at a rate of \$12,971 per year. Now, Mr. Speaker, I point out that \$12,971 is a figure that is used without any interest being charged. Now we know that the Federal Government, when it comes to loaning money to farmers, does not loan money without interest. In fact, they don't loan money at government costs.

I believe, and I stand to be corrected, but I believe that the rates that the Federal FCC loans money to farmers at the present time is in the 15 to 17 percent interest rate. Now I don't think the Federal Government would sign an agreement. It would be much different, but even if you accepted a figure of, say a 10 percent interest rate, 10 percent interest on \$234,000 for one year would be \$23,427.50 just in interest. Then you would have a \$12,971 payment as well. So you would be looking, even at 10 percent, which I suggest is probably only two-thirds of what the Federal Government - but you would be paying more in interest in the first year than you would be in principal.

Now he gives me another example of how the taxation of the mineral rights now in the hands of the son of the deceased, or it could be the daughter or whoever it is, based on the same oil production and the price in 1984 as in 1983, the son would have a gross oil revenue of \$46,855.00. He would have an expense against that, the Canadian gas and oil expense of \$234,275, which he would have a revenue of 46,875; but he would have if he chose to pay it over 10 years,

that 234,000 that are charged against it, he would pay \$12,971 even though he had a revenue of 46,855, but the interest would probably be between \$23,000 and \$30,000.00.

A MEMBER: Unbelievable.

MR. H. GRAHAM: So he would have to pay \$12,971 plus \$25,000 or \$30,000 interest. And would he have an income of \$46,855.00? No, because we have already shown that as far as the province is concerned, after they take their tax off, he only has \$45,028.00. As far as the Federal Government is concerned, and they don't recognize the provincial tax, they would take an additional \$11,000 off and he'd only have an income of \$35,141.00. But now he's going to have to pay \$12,971 plus interest, and if you take that down, you find out that actually the person would have to pay more in that first year. If he elected to pay it over 10 years, he would have to pay more money than he would receive in income from that well.

So, Mr. Speaker, you can understand why I want to raise this issue at this time. If the person was not aware of the fact that he only had 90 days to appeal his notice of assessment and that 90 days disappeared, he would be hit immediately with a tax of \$129,000.00. So, I want to raise this issue at this time to point out that there are problems in the oil industry that we don't know too much about.

I raise it, Mr. Speaker, because I think it applies to Manitoba more than it does to Saskatchewan, Alberta or B.C., because in Saskatchewan and Alberta, because of the time when they came into Confederation, I believe that mineral rights did not accrue to the individual to the same extent in Alberta and Saskatchewan as they do in Manitoba.

I raise the issue also, Mr. Speaker, more as a warning to people in society of the potential of this thing. I have been told by a lawyer who knows a little about this that if an estate is properly prepared that this does not have to occur. There are ways, if the oil rights are owned by corporations, then this does not apply. The corporation still carries on its operation and the transfer of shares occur and you pay a capital gain at the rate of 50 percent or something on things of that nature.

But this particular act, Mr. Speaker, I suggest falls on the unsuspecting person in society. The person who has run his own little business, hasn't been a wealthy person at all, has not bothered to get involved in a corporate structure and, in his declining years, has made his will in such a manner that he wants to leave something to his son or his daughter, his nephew or his niece or whatever organization or person he in his own wisdom wants to leave it to.

I would think, Mr. Speaker, that if I asked any member of this Assembly, "Would you like to inherit an oil well?" the answer would be in 99 percent of the cases, "Yes," until you point out that there's a possibility that there is a greater liability than there is an asset.

So, Mr. Speaker, I raise it at this time. I hope the Provincial Government will take cognizance of this and I hope that they will make representation to the Federal Government. I realize it doesn't involve 100,000 people or any numbers of that nature, but it does involve some Manitobans. If we can avert tragedy from occurring, then I think we should make an effort to do that.

I would hope - and I'm sorry the Minister of Finance - I shouldn't say that, Mr. Speaker. I know it's improper to make mention of a member's presence or absence, but I have already talked to the Minister of Finance on this and the Minister of Finance, I know, if he were in the Assembly, would like to take part in the debate on this because I think he is cognizant of the problem.

So, Mr. Speaker, I raise it at this time because I think that every member of the Assembly wants to see justice done. They don't want to see people abused. They don't want to see the inheritance taken away or they don't want to see confiscatory taxation. That basically is what has happened in this particular case.

The Federal Government, through this program, can effectively confiscate and, Sir, I don't believe that's right. I don't think any thinking politician or legislator would want that to occur. So if we bring it to the attention of those who are responsible for that type of legislation, I sincerely hope that there will be action taken at the federal level to remove this, what I consider to be, confiscatory taxation.

I don't know why governments, Mr. Speaker, get so uptight about collecting money immediately. If they let the person inherit and carry on, they'll get their tax every year anyway. Why should they want to take it all of a sudden now? Mr. Speaker, the only reason that I can get, the only reason that I can arrive at for them wanting to do that is say, well, we can take it all now, we can force them into either quitting claim or whatever they do, and we will also end up with the oil.

Mr. Speaker, we have seen unjust legislation at the provincial level, at the federal level in the past and I would say in most cases it has been remedied. This has existed for quite some time in the federal field; to my knowledge it has not been remedied as yet.

I would hope that the Province of Manitoba will make representation to the Federal Government to urge them to remedy this situation because I think it is unfair, it is unjust, and I think it is completely unnecessary.

I thank the members, Mr. Speaker, for the opportunity of bringing this to their attention at this time and hope that the province will deal with it accordingly.

MR. SPEAKER: Are you ready for the question?
The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, I rise on a point of order.

Mr. Speaker, I did not want to interrupt the honourable member on his grievance because I recognize that grievance is an important tradition with respect to the rights of members on the House going into Committee of Supply. Sir, as I recall, and there are members here with far more experience than I and I'll respect their recollections, the motion to go into Supply has been, in this Chamber, one which has been debated with regard to specific grievances within the jurisdiction of the Provincial Government.

The member's grievance today was outside that jurisdiction. The practice in Ottawa, Sir, where a similar procedure on Supply was allowed prior to the restructured committee system required under Citation 234 of Beauchesne's Fourth Edition, that grievances be within the powers of the Federal Government. I raise this as a point of order because of my concern that

in allowing without raising the matter, the questions that are outside the jurisdiction of the province, we may be setting a precedent which would open up grievance debates to matters outside of provincial jurisdiction, perhaps to matters of international affairs, perhaps to matters totally beyond in any way the normal subjects of debate in this Chamber. I don't ask you, Sir, to rule on it, but I would to state for the record that we would not wish to consider and, therefore, raise this objection at this time, today's grievance as a precedent for such wide-ranging grievances in the future.

If, Sir, members do have a concern about the raising of the point of order, I would ask that this be something which be referred to the Rules Committee.

MR. SPEAKER: The Honourable Member for Lakeside to the same point of order.

MR. H. ENNS: Mr. Speaker, to the same point of order. I, Sir, distinctly heard, and I'm sure if you peruse the Hansard of the Honourable Member for Virden's speech, he acknowledged in the introduction of the subject matter that he was expressing his grievance on that it was, indeed, a matter of federal jurisdiction with respect to the actual taxation, but he said that it had initially come to his attention as a matter of constituency concern, and he made a special point of asking that this Assembly could give consideration to the advisability of passing on our concern if, indeed, members of this Assembly felt the concern to the appropriate authorities.

Mr. Speaker, I just simply remind you that the first item we'll be dealing with in Private Members' Hour is a resolution put forward by my friend from River East, having to do with the federal income tax. I'll note with interest, Sir, whether you rule that in order or out of order based on the comments made by the Government House Leader.

MR. SPEAKER: Order please. I thank both members for their advice on this matter and I will, indeed, take it under advisement in order to review the precedents and to review Hansard.

Are you ready for the question or is the House inclined to call it 4:30 and Private Members' Hour?

The time being 4:30 then, Private Members' Hour.

PRIVATE MEMBERS' HOUR SPEAKER'S RULING

MR. SPEAKER: Before moving to Resolution No. 6, the first on the agenda, there is a matter I took under advisement a few days ago.

On Tuesday, May 29th, the Honourable Member for Elmwood rose in his place to propose a Private Members' Resolution No. 5. Several honourable members had offered their advice regarding its admissibility and I took the matter under advisement.

The issue is straightforward. It deals with the intent of the motion to require that constitutional resolutions be subject to a two-thirds vote in the House. Section 10 of The Legislative Assembly Act is quite specific when it states that all questions in the House shall be decided by a simple majority.

This is the general rule covering all voting decisions. Certain exceptions are made but these are carefully enumerated in specific other statutes. Where these exceptions occur in The Provincial Auditor's Act, The Ombudsman Act, for example, the necessity for a two-thirds vote is provided to rescind the appointment and serves as a protection for the incumbent. The adoption of the statute was, in each case, by simple majority. Thus, it is clear that the Legislature is bound by the Section 10 requirement in all cases and only makes exceptions in specific statutes.

The resolution is not a statute providing an exemption in Section 10, therefore, it must be an attempt to amend Section 10 itself which, of course, it cannot do. The resolution is, therefore, not in order.

I would remind all members that the Clerk of the House is always available to assist and advise members in preparing resolutions and amendments.

Resolution No. 6 - the Honourable Member for River East.

RES. 6 - FEDERAL-PROVINCIAL INCOME TAX COLLECTION AGREEMENT

MR. P. EYLER: Thank you, Mr. Speaker.

I move, seconded by the Member for St. Johns that WHEREAS the principle of individual income tax is to place a tax on personal income, and

WHEREAS the principle of placing a tax on income is becoming eroded through the proliferation of deductions, exclusions, exemptions, and credits, and

WHEREAS the incidence of income taxation is falling increasingly on middle income earners, and

WHEREAS federal-provincial income tax collection agreements tie provincial income taxes to federal income tax regulations respecting taxable income, and

WHEREAS the proliferation of federal income tax deductions, exclusions, exemptions, and credits is consequently eroding Manitoba's income tax revenue,

THEREFORE BE IT RESOLVED that this House urge the Federal Government to restore the original principle of income tax as a tax on income, and

BE IT FURTHER RESOLVED that this House urge the Federal Government to renegotiate federal-provincial income tax collection agreements to allow provinces to determine for themselves the parameters for provincial income tax deductions, exclusions, exemptions, and credits.

MOTION presented.

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Thank you, Mr. Speaker. I welcome this opportunity to speak to a resolution which I think is of concern not only to the Province of Manitoba but to most of the provinces of Canada. I believe it's also worded in such a way that members of the opposition can vote for this just as easily as the members of the government. I don't view it in particular, as a partisan resolution and, I think, that in the course of my remarks it will be shown that in many ways I agree with many of the statements which were made by previous governments in Manitoba regarding this particular issue.

I do, however, intend to dispute some of the finer points of taxation policies which the Liberal-Conservative coalition in Ottawa, and the Conservative Party in Manitoba have favoured in the past.

In particular, I am reminded of the Conservative travelling road show that went around Canada not too long ago holding hearings on the abuses of the collection of income tax in Canada. I can't help but think that I believe that this task force really has missed the basic point of their investigations. The real problem lies with the rationale for all the horror stories we're hearing regarding the hard-line tactics of Revenue Canada. I think there is a reason for that, and I will go into that.

I think that the second point they missed was the inherent unfairness of the current income tax system which is administered by the Canadian Government. I would like to address this by an oblique approach, I think, by referring to what's happening in the United States right now. There was an article appeared in a journal called, "Across the Board," the conference board magazine in the United States, for April, 1984, which deals with the problems of collecting income tax in the United States.

It says: "Sure as daffodils, every spring a new crop of tax cop and dodger tails pops up. A few atrocity stories always turn up in this annual filing season blitz, hairy classics in which agents confiscate poor couples' homes, padlock worthy folks businesses, attach bank accounts and otherwise harass the presumed upright.

"This is the stuff of oppression fantasies, but ironically villainous accounts serve the IRS cause, as well as, maybe better than its own press releases. For lack of better ammunition, the annual spate of horror stories has become central to IRS tax compliance strategy almost overshadowing audits as a scare tactic. Horror stories and fairy tales play on our basic hopes and fears. True or false, they make potential tax cheats think twice."

I think it's obvious from that, Mr. Speaker, that the problem with the horror stories lies with the fact that it has become a strategy of Revenue Canada to scare people into paying their taxes. The reason for this is, of course, that the tax system in Canada is becoming increasingly unjust, there is a lack of equity. I believe it is also obvious to most people that the range of loopholes and tax dodges which are legally available to those who, either have the money to pay or are smart enough to find them for themselves, are creating a very distinct lack of equity in terms of equal payment of taxes by people with equal incomes. It's quite possible for people with even my range of income, for MLAs in this House, to have entirely different tax payable based on how well we may manipulate the tax loopholes and tax dodges which are available to us.

I think, in particular, of one of the tax scams that one of the former members of this House devised a few years ago. Izzy Asper came up with a very good tax scam whereby people could use the Federal Government and the province to pay them, through tax credits and tax deductions, for simply holding a piece of paper for a couple of weeks.

When Canwest Capital took over Natures International, Izzy Asper came up with a new scheme. It used to be a very simple process for one company to buy out another company; you would say you were

going to give them \$10 for a share of stock and you gave them \$10, and that was it. If you bought that stock for less than \$10, you paid capital gains tax, and if you paid more than \$10 for that stock before you sold it you took a loss and got a capital loss deduction. But Izzy Asper, using the tax regulations set in place, figured out a new way of doing this. He said, well I'm going to give you \$10 for your stock, but here's how I am going to do it. I am going to give you \$1 for the share, and pay you a \$9 dividend.

As soon as he said that the whole tax system was so manipulated that people were making money just by holding a piece of paper for a couple of weeks. If you had a \$9 dividend you would pay a certain amount of tax on that dividend, and you would also get an offsetting dividend tax credit from the Federal Government. If you bought the stock for \$10 on the stock market and then sold it to Izzy Asper for \$1, you had a \$9 capital loss. So you could deduct \$4.50 from your earnings. If you were an MLA with a marginal tax bracket of 33 percent, you ended up having a tax deduction of \$1.50 on your capital loss and a tax payable on your dividend of a \$1.125.

In other words, for holding this piece of paper for a week or two, the government, us in Manitoba and the Federal Government, would pay you 37.5 cents for each \$10 share. People were crowding to get into this stock. It was a great scam — (Interjection) — It was a great scam, it's a scam. Let's call it what it is, it was a scam. Whenever you manipulate the system to do things which it is not intended to allow, that's a scam. I think we should recognize that for what it is. It was invented, I think, in 1979; it was repeated on several other takeovers, and the loopholes for that still basically exist today.

The problem is that people see these abuses. They know that these things are taking place. They don't understand how it happens; they don't understand the legal niceties, the complexities of the law which allow this kind of a scam to take place, but they know that it exists and they resent that fact. The problem with this is that when people, who are not quite that in tune with the way to manipulate the tax system, find out about it they think, well if other people can get away with it, I can get away with it and the system tends to get expanded from the technically legal to the less legal.

That, of course, is the reason why Revenue Canada is relying more and more on scare tactics. That's why they put out TV shows or ads which say that the computer is watching you. It is there for a purpose, and the purpose is to scare people into paying the taxes that they should be paying, but the taxes which people are avoiding because they see other people paying less.

You know, the term "tax equity" has taken on a new meaning. It now means that everybody has the right to pay as little tax as everybody else. Of course, unless you know all these little loopholes, it's not possible for the average person to take advantage of these things.

Of course, the Federal Government is well aware of what's happening. It had a White Paper on taxation that came out a few years ago analyzing the tax payable by Canadians and it found: "There were 152,000 tax filers who were identified as having income in excess of \$50,000 in 1979. Of these, some 3,400 had no tax liability, and another 21,300 were taxable but paid less

than 10 percent of their income in federal tax. What is even more striking is that there were 740 individuals with income over \$100,000 who had so arranged their affairs that they paid no federal income tax in 1979."

Well it's obvious, Mr. Speaker, that there is a large amount of inequity when people in the middle income brackets, making 20,000, 30,000 a year, 40,000 a year, can see people making 100,000 paying no tax, and they're paying 33 percent of their income in taxes. There is no equity in that.

I think what we really need is to get back to some of the basics, Mr. Speaker. I know it sounds like a Conservative line, but I think that the administration is too complex; the technicalities are too complex. We have to simplify tax laws, not make them more complex. It sounds a lot like the Conservative line of deregulation. Well maybe that's what it needs, Mr. Speaker.

MR. H. ENNS: Peter Pocklington.

MR. P. EYLER: Peter Pocklington, the Member for Lakeside says. You see, I knew he would come around to that. That's where I think that we can agree a lot with the Conservatives. I think we can agree a lot with the Conservatives.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. P. EYLER: It seems that perhaps we should . . .

MR. SPEAKER: Order please.

The Honourable Member for River East.

MR. P. EYLER: It would seem to me, Mr. Speaker, that maybe we should compromise a bit on our ideals. I know on this side we are all in favour of a progressive income tax, but what we've got is a regressive income tax where people at the top pay less and less, not more and more. Certainly we might be able to explore that middle ground with Peter Pocklington that everybody should pay the same rate. We can always offset the people at the bottom with tax credits, while collecting the full 20 percent proposed by Peter Pocklington from the people at the top. That would, of course, provide a certain amount of equity, and I think that's what we should be looking for.

I have dealt for a while, I guess, as my introduction to the equities or the inequity of the federal income tax system. I would like to now get onto how that has affected the provincial revenues in Manitoba because it has a direct bearing on how much money we take in as a province, just what the Federal Government does with its tax system.

The tax collection agreement which I refer to in my resolution has gone through several changes since it was first implemented in 1962 and, of course, the way it works now is there's an agreement between nine provinces - Quebec won't participate - and the Federal Government, to collect all the income taxes for those provinces which have signed the agreement. What this means is Ottawa will collect the provincial share of the income tax and it will pay all the costs of administration, of auditing, of collecting the taxes, and it will just simply

turn over the province's share to the provinces. If the provinces want to add on any specific measures, such as, tax credits, then the marginal cost of the tax credit administration would be paid by the province, which is fair enough.

The problem with this whole thing is that the way the tax collection agreements are set up the provinces collect a tax on the federal tax, so whatever the federal tax is deemed to be the province takes a percentage of that. That means that when the Federal Government decides that this exclusion is in, if there's this deduction that's in, if they want to increase the RRSP deductions for this group, if they want to add another dodge, that this all deducts from the provincial tax base and that, of course, is my problem because we're having a proliferation of tax bases. This is one of the real problems that we're experiencing these days, the proliferation of tax deductions, tax loopholes, tax credits which are being implemented by the Federal Government unilaterally, with absolutely no consultation with the provinces, without any prior notice they're simply dropped on the province.

I think a good example of the most recent case is the Research and Development Tax Credits which were brought in in the last Budget. The R & D Tax Shelter, of course, is not too far removed from the Izzy Asper scam. It is set up in such a way that people are allowed to hold a new issue of stock for a few days, take their tax credits, dump the stock and, basically, for holding that piece of paper for a few days, the Federal Government and us, by extension, are paying those people a large amount of money simply for holding that piece of paper.

There was an article in the Financial Post, front page, March 31, 1984, headlines, quote: "R & D Tax Shelters Take Off - The Incentive - New R & D flow-through tax credits have been the best deal in town for corporations and rich investors." Of course, at that particular time they were estimating there would be \$685 million in 1983 Federal-Provincial Tax Credits flow through this particular tax incentive.

The Province of Manitoba estimates that some \$7.5 million of that would be lost income for the Province of Manitoba. Of course, that was March 31. On June 4th, only a couple of days ago in the Free Press, there's another article which says that: "Research Tax Break Costs Jump to Nine Times Federal Estimate." Now we find that the estimated cost of these tax credits is skyrocketing, the cost is now up to \$900 million and the cost to the Province of Manitoba is some \$10 million in lost revenue due to a unilateral introduction of a tax dodge introduced by Ottawa without any consultation with the Province of Manitoba.

This proliferation of tax dodges or incentives, if you want to call them incentives - I'll speak to each side on their own terms - let's call them tax incentives, the problem with these tax incentives is the first tax incentive you put in does provide an incentive. The next tax incentive detracts from the first tax incentive; the third tax incentive dilutes the effect of all the other tax incentives, and we're getting to the point now where we've got so many tax incentives for this, for that, for everything else, that what we're really coming up with is a system where there's a disincentive wherever there's no incentive.

The equity is totally lacking because all these tax incentives are really resulting in a net lack of incentive.

It simply takes government revenue out of the system and, in the end, there's probably no measurable impact. Certainly the cost benefit study of the marginal value of an increase of a new tax credit has got to be increasingly low.

Now this wouldn't have been such a major problem if the revenue guarantees which were originally part of the tax collection agreements had been kept in place. When tax reforms came in before, when all these deductions were first added in the tax reforms of '72, I believe it was, there was a revenue guarantee built into the Tax Collection Agreement with the provinces, which meant that the provinces wouldn't suffer. These guarantees were tied to the medicare system, the post-secondary education system; they were there for a purpose, to make sure that the provinces retained the revenue they needed to supply these services.

In MacEachen's Budget of 1981, these were removed. The revenue guarantees were removed; the Federal Government reduced its transfers to the provinces for the established programs and, at the same time, MacEachen was saying: "The proposals which I will be tabling tonight will enable us to achieve the desired savings without affecting federal contributions to the financing of provincial medical care, hospital care and post-secondary education programs. I am proposing to eliminate compensation for the 1972 revenue guarantee which was included in the established program financing agreements of 1977. The tax changes I have proposed" - that's the loopholes he was going to close - "will automatically increase provincial revenues and I trust provinces will agree with me that the proposals are desirable. Indeed, the increase in provincial revenues during the first two years of the new arrangements will virtually offset the reduction in transfers due to the elimination of compensation for the 1972 revenue guarantee."

The problem was of course that he never went through with closing those loopholes and, I think, to a certain extent, we have to put some of that blame on the former Premier of this province. The day after that Budget he got up and said: "The use of the word 'loopholes' bothers me, because what is actually being changed are tax laws that were consciously passed by the Federal Liberal Government" - I might add, with Conservative support - "over the years and they're now being treated as, in some manner, improper. It seems to me more like a cynical way to raise more tax."

It's not a cynical way, it's a realistic way to raise more tax, Mr. Speaker, and I think that anyone who suggests that the tax scams of Izzy Asper are not improper is certainly living in a fairy tale world of lack of consideration of the concerns of the middle class who are bearing increasing shares of the income tax in this province and in this country.

What this is leading to, of course, is that there's a crisis which is starting to occur with the income tax agreements throughout Canada. B.C. has threatened to withdraw from the tax collection agreements with the Federal Government; Ontario commissioned a study from the Ontario Economic Council called "A Separate Personal Income Tax for Ontario," in which it goes into the pros, the cons, the costs, the benefits of collecting its own tax. I believe, also, that the former Minister of Finance of this Province was considering the same thing when he said in Hansard, the 14th of April, 1981: "While

it is premature to predict the end of the current collection agreements, all provinces must be prepared for the possibility that, within a relatively short time, we may be required to begin administering our own income tax system and, to ensure that we're adequately prepared for the possibility of such a changeover, I have asked my department to draft a detailed contingency plan and to review a wide range of related policy options, including the kinds of reforms to our tax system which would be possible under a self-administered system."

I agree, Mr. Speaker, I agree entirely with that position. I think that what we've got is a certain amount of bipartisan agreement in this area. We're going to disagree, of course, on how we would change the systems of taxation. I know that some of the proposals that the previous government put forward, which were refused by the Federal Government, were possibly useful and desirable. They asked that the Federal Government administer a tax credit for Northern residents and the Federal Government refused.

We have asked the Federal Government to allow us to levy a 1 percent gross tax on total income, somewhat along the lines of Peter Pocklington's suggestion, and the Federal Government has refused that. I think the essence of this resolution, of course, is that we need to take a new approach to co-operative federalism and think about the tax collection agreements in terms of the fabric of this nation. We have to realize that there are different political parties who are looking for experimentation with different ways of doing things and that's one of the strengths of the federal system.

If we can't go off and experiment on our own, if B.C. can't go off and experiment on its own in the way it wants to, then co-operative federalism is suffering in this country.

So I would hope that the members opposite would not take this in a partisan manner. There had been a few criticisms of their party positions, but also I think that there is more agreement than disagreement between us on this particular issue. I would urge them to support this resolution.

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

MR. B. RANSOM: Thank you, Mr. Speaker. This is an interesting resolution that the member has brought forward. There are a number of points that he has raised that could occupy a lot of time trying to deal with them, so the problem for me is to single out those areas that I can touch upon in the relatively short period of time that is available.

I was a little disappointed to hear that the member didn't really put forward any solution, any alternative. What he did was to criticize the system that's in place. I think we can all find a great many things that we would find it rather easy to criticize, but we have to know what we would be replacing it with, I think, before we can really be in a position to judge just how solid a foundation the member is basing his argument upon.

He seems to be extremely concerned about people taking advantage of laws that the government has passed, more so than he is concerned about the government taking advantage of people through

passing laws. When he referred to a quotation from my former Leader, the Member for Charleswood, what the Member for Charleswood was saying at the time, what he was calling cynical, was the fact that the Federal Government passed tax laws and indeed touted those tax laws as being some outstanding action on the part of the government. In many cases, they were, of course, brought forward in their Budgets. Then, over the years, as people utilized those very provisions that government brought in, they began to label those people as taking advantage of tax loopholes and portraying those people to the public as being less than whole citizens of this country for doing that. That's what is cynical, Mr. Speaker. What is cynical, is that the Federal Government set it up, and then are critical of people because they use it. They should be critical of themselves for having established it. If they didn't like those kinds of things being done, then they should be critical of themselves, not of the individual people.

I would be more concerned about the way government abuses people through the tax laws. That's what concerns me. When the Member for River East says that the Conservative Task Force missed the point as they travelled around the country listening to the concerns that people had, I think he is wrong. I think he's out of touch with what the people are saying, and I think that philosophically he's out of touch as well. Because the people get much more concerned about the heavy hand of bureaucracy upon them than they do about some other individual being able to take advantage of a situation that's been created by the government. Most people react rather strongly to the heavy hand of government being applied in the manner in which the Department of Revenue has applied it. I think the member misses the point if he doesn't understand that.

As an example though, of the kind of thing that the government does to people through their taxation laws that I think should be of a much greater concern is what happens as a consequence of a combination of the tax law and inflation, of tax law brought about completely by the government and inflation brought about to a very considerable extent by the actions of the government.

Let's just look at a situation with farm land, for instance, Mr. Speaker. Supposing a farmer had bought a piece of land in 1971 and had paid \$200 an acre for that piece of land. Now if, in 1983, that land was worth \$542 an acre, that farmer would have had a capital gain of \$342, half of which would be taxable. Members opposite might argue, a buck is a buck, income is income, but the fact is that the value — (Interjection) — the member says, the province allows some deductions. I acknowledge that, Mr. Speaker, if you're selling it to someone who is approved by the members opposite. But I am talking about the general application of tax law in the country.

Because of inflation, that land would have to be worth \$542 an acre last year in order to have the same purchasing power as was represented by the \$200 that bought it in 1971. But yet, that \$342 will be considered as capital gain. The person will be taxed on half of that, and they would end up with less purchasing power than they had in 1971 when they bought the land. That is the kind of inequity which should be removed from the system.

I am far more concerned about that kind of thing than I am about the fact that Izzy Asper takes advantage of some tax thing that's there. Fine, the government should turn loose their people and close it off. But I don't think that we should spend our time worrying about those individual situations that people are taking advantage of, and ignore this gross kind of inequity where someone's capital that they have worked for and earned, have invested not only for the benefit of themselves but for the benefit of the province and the country, and they then have it taxed away from them so that they end up with less money that they had before. That happens every day. That happens all the time with respect to farm land or with respect to businesses that have been bought or apartment blocks that have been bought, any number of ways that it can happen.

Similarly, Mr. Speaker, you will get erosion of people's capital through the interest rates and inflation. Last year, if you were getting 10 percent on your money invested and inflation was running at 8.8 percent, you're going to be taxed on the 10 percent and you are going to end up at the end of that year with less purchasing power than you had before. That's the kind of thing in the system that is inequitable to a great many people in this country and a lot of the senior citizens of this country, people who have worked all their lives to make something for their retirement. They are investing it and they're trying to get money back from it, and the government is taking it away from them through the tax system.

So let's not just worry about some of these situations that have arisen which I don't like any better than the Member for River East likes it, but let's realize some of the other things that are happening as well.

The member blames what apparently is a growing problem of tax evasion upon tax avoidance; that somehow, because people see someone else getting a tax break, they're going to react by not paying their taxes. Well, of all the possible reasons that there are for people avoiding paying their taxes, I would think that one doesn't rank very high.

I would think that a lot of people don't want to pay their taxes because they think they are too high. When they see the amount of money that the government's taking from them or if they know that if they invest \$100 and that they get \$10 interest on it and when they declare that, that they are going to end up with less purchasing power than they had the year before, do you think anyone is going to willingly do that, Mr. Speaker? No, they're not going to. It's the tax system as it affects them that they see as unfair. That's one good reason why people don't want to pay.

The other is that they see government spending money on all kinds of things that they are not in agreement with. They say, I don't want my money going for that kind of ridiculous expenditure, and I don't feel any obligation toward the government to pay the tax in order that they can turn around and spend it in the profligate manner that they're doing or on the particular project that the government's spending it on. I think that has a major influence on people's attitudes.

That's something that governments have to address, because our system of tax collection does depend to a very great extent upon people willingly recognizing an obligation to their country, to their province, to their

municipality to pay their taxes. It is a responsibility that they have and if they see that the other side of that equation is being met, that the government is carrying out their responsibilities, then they're going to be a lot more willing to pay their taxes. I think that has to be taken into consideration as well, Mr. Speaker.

Now, the member tries to make the case in his resolution and in addressing the resolution, that the Provincial Government's tax base is being eroded, that the amount of taxes they're taking in is being eroded. Well, I think that's a hard case to prove on the basis of the figures. One looks at one of the recent prospectuses filed by the government in March of 1984, it lists an individual income tax from 1979-80 through to the Estimates for '83-84.

Now in that period of time, personal income tax revenue to this province grew by 72 percent, but figures given in the Minister's Budget, in the most recent Budget that he presented to this House, showed that during that same period of time, the gross provincial product only grew by 46 percent and personal income grew by 54 percent. Now, if personal income is growing by 54 percent and personal income tax has grown by 72 percent, I think it's very difficult to make the case that the base has been eroded.

I don't deny that there are individual situations in there that have been eroded or inequities created, but one cannot deny the fact that personal income tax revenue to the government during that period of time has grown faster than the personal incomes of people in the province.

I don't think that there have been very many changes in the personal income tax in that period of time. I didn't have the opportunity to go back and review all of the changes that were made in that period of time. I know there have been some adjustments in surtaxes on higher incomes, but basically there it is - tax revenue up 72 percent and personal income up 54 percent in the same period of time.

I also find it interesting in the member's resolution that he is critical of the Federal Government's action of instituting deductions, exclusions, exemptions, and credits. In his second WHEREAS he says "Whereas the principle of placing a tax on income is being eroded through the proliferation of deductions, exclusions, exemptions, and credits." He then goes on in the - what's the word I'm looking for here? - part of the resolution that has the meat in it anyway, Mr. Speaker, ". . . that this House urge the Federal Government to renegotiate federal-provincial income tax collection agreements to allow provinces to determine for themselves the parameters for provincial income tax deductions, exclusions, exemptions, and credits."

So, what the member seems to be arguing, first of all, is against deductions, exclusions, exemptions, and credits and then subsequently wants the authority to be able to establish their own deductions, exclusions, exemptions, and credits. What he really is doing is arguing against the basic authority of the Federal Government to establish what the tax base will be.

That's a bit of a contradiction in the argument, Mr. Speaker, but I really don't have any great difficulty with the resolution. I don't see that it's going to create any great problems. Quite frankly, I don't think it's going to be of great help to the province in trying to resolve the fiscal difficulties that they have, because we're

talking about a deficit that's running at \$480 million a year. We're talking here, at most I'm sure, in terms of provincial revenue of a few millions of dollars maybe, maybe measured in the tens of millions that might be adjusted one way or the other. Whatever kind of change might be negotiated I don't believe we'll see the government rescued from the financial dilemma that they find themselves in, and that, unfortunately, we find ourselves in as citizens of the province.

That isn't going to be resolved by this kind of thing and perhaps it might be more beneficial to direct attention to the larger problems rather than to be concerned about some of the sorts of things the member spoke about today, important as they are. I believe that the broader concern has to be how we're going to deal with that broad financial situation.

Mr. Speaker, I expect that the member will find a large measure of support for his resolution. I'm going to be interested to see what the Minister of Finance has to say about this resolution.

I suppose I could make a suggestion at this point that members of the House might consider the next time that Rules Committee is meeting. That would be, Mr. Speaker, that in Private Members' Hour that we have the opportunity to adjourn the debate on a Private Members' Resolution when it first introduced, that we would then have the opportunity to be able to read what the member has to say, just as we now have an opportunity if we wish to adjourn a bill on second reading and read what the member has to say, as one is placed in the position of having to stand up and respond on a more or less impromptu basis to what a member has said and that's a little more difficult.

Well, I have some indication, Mr. Speaker, that that idea might be accepted. With that success I'm going to offer another one as well. I'm going to suggest, with respect to Private Members' Hour, that we should in Rules Committee consider the possibility that a resolution only come up for debate a limited number of times.

I think everyone will admit that there is a considerable amount of effort spent during Private Members' Hour trying to spin out the other guy's resolution, that you're going to amend it to make it meaningless, or you're going to debate it to keep it from coming to a vote. Consequently, the idea that the value of Private Members' Hour is eroded. I believe if those two things were introduced, Mr. Speaker, that we would have more meaningful debate take place during the three or four occasions on which the resolution would be debated. If it was the will of the House to pass some resolutions as indeed occasionally happens, they would be passed.

If it was one of those that one side or the other of the House would sooner talk out, then it will simply drop off after three or four occasions for debate and we could get on to debate some other issues because there are a great many issues that Private Members' Hour could make some contribution to the understanding of, if not the resolution of.

Thank you, Mr. Speaker.

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

MR. D. SCOTT: Yes, thank you, Mr. Speaker. I would like to have this resolution stand in my name, but I understand there is a willingness on behalf of both sides of the House to call it 5:30 due to the hour.

MR. SPEAKER: Is it the pleasure of the House to call it 5:30? (Agreed)

The debate will stand in the name of the Honourable Member for Inkster who will have 20 minutes remaining when we next reach this item.

The time being 5:30, the House is accordingly adjourned and will stand adjourned until 2:00 p.m. tomorrow. (Thursday).