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DEBATES
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PROCEEDINGS

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THE LEGISLATIVE ASSEMBLY of MANITOBA

Thursday, December 1, 1977

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, I wish to table a copy of the report of the Manitoba Telephone System for the fiscal period ending March 31st, 1977.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, I realize that the First Minister took it as notice yesterday, but I would like to invite him, if he is in a position to today, to indicate whether information has more definitively been brought to the attention of the government with respect to the amounts and proportions of financing that are available to CCIL on the part of the cooperative groups jointly and the province of Saskatchewan.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, to the Honourable Leader of the Opposition, I have no further information. The Finance Minister is still away at the Energy Conference. We'll attempt to get that for him next week, early next week.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I have a question to direct to the minister to whom the Manitoba Development Corporation reports. I'm seeking precision to questions asked yesterday. When the minister indicated that the board of directors agreed that there would be no further loans, even on a strict commercial basis, was he saying that the board agreed with that position or agreed to follow the directive of the provincial government in that respective? Does the board of directors . . .

MR. SPEAKER: Order, please. May I remind the member that repetitious questions are not considered to be in the best interests of this Chamber.

MR. GREEN: I agree entirely with your ruling, Mr. Speaker, and I believe if you will examine the questions and answers yesterday, there is an ambiguity as to whether the board agreed with the policy or merely agreed to follow the directive of the minister. It's important, Mr. Speaker, in that we know whether the board of directors recommended or agreed with the present policy of not advancing any commercial loans, or merely agreed to accept the directive of the government, which would be quite understandable. But it's important that the people of Manitoba know which is the case.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. ROBERT (BOB) BANMAN (La Verendrye): Mr. Speaker, it was stated clearly — our intent has been stated clearly throughout the years — the intent to wind down the Manitoba Development Corporation. That was agreed to by the board of directors to halt loans until a review is conducted.

MR. SPEAKER: The Honourable Member for Inkster with a supplementary.

MR. GREEN: Mr. Speaker, I believe that the honourable member is either studiously avoiding the question or doesn't understand me and I will repeat it. Is the board of directors expressing its agreement with the policy or is it expressing its agreement to follow government policy?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: My honourable friend, the Member for Inkster — I'm speaking on a point of order — my honourable friend, the Member for Inkster, is well versed in the rules of this House. He knows, and he agrees, that when questions are put that are repetitious, he, above all, understood and nodded agreement, Sir, with you when you mentioned that He knows very well the question which he is again trying to put which I suggest is really an abuse of the Question Period but the Speaker has been extremely wide in his latitude and so is the government, if I may say so, in attempting to answer the honourable member. The question that he put was asked yesterday; he received an answer. How many times does he need an answer to a question or is this just harrassment or abuse of the Question Period to suit his own political purposes?

MR. GREEN: I wish to speak to the point of order, Mr. Speaker. The question that has now been put was put yesterday and was not answered. I am merely asking whether the honourable member misunderstood the question or doesn't wish to answer. He doesn't have to answer but I submit, Mr. Speaker, that it is not an abuse of the . T Question Period his is the point of order to determine whether what is being followed is government policy as recommended by the government which is clearly acceptable, and I have no objection to that — or whether what is being done is a policy recommended by the Manitoba Development Corporation. Is the minister relying on the government policy or is he trying to suggest that it's being done by the recommendation of the Manitoba Development Corporation? Now, Mr. Speaker, if that is not a legitimate question in the Question Period, then there would be no legitimate questions. My honourable friend knows that. He asked me whether I do it for political purposes. Of course I do it for political purposes. Is the honourable member saying that he is not a politician? That he is not seeking support for his position?

MR. SPEAKER: Order please. Order please. Order please. The Member for Inkster has made his point I believe as far as the point of order.

MR. GREEN: Mr. Speaker, I would like to know from the Minister of Industry and Commerce whether it is a recommendation of the Board of Directors of the Manitoba Development Corporation or a policy of the Manitoba Development Corporation that they not make loans at the present time, or whether they have agreed to accept government policy in this connection. I think that's a simple question, Mr. Speaker, which the honourable member could answer.

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, that question has been asked on a number of occasions and the honourable member knows full well that he can pose a question but he has no right to insist upon an answer. Now he knows that, and if the minister chooses not to answer, that's the end of it.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. BANMAN: Mr. Speaker, the MDC board of directors agreed with the government policy, if that's what the member wants to know.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I would like to direct a question to the Minister of Industry and Commerce. Is the minister able to tell us to which provinces \$1 billion dollars — to which Canadian provinces — \$1 billion, which would have come to Manitoba if not for the estate tax, has gone, and in what way has this investment been made? I would like to know.

A MEMBER: Ask the former minister.

MR. SPEAKER: Order please. Order please. The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thankyou, Mr. Speaker. I have a question I believe should be best directed to the leader, the First Minister. In what way, Mr. Speaker, will the government's announcement of freezes and cutbacks affect those individuals who have left the employ of the province temporarily to take educational upupgrading, whether it be on a formal leave of absence or in such a way that there was an informal agreement between that person and his department that that job would be held open for him or her on their completion of their course?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the question that is posed of course is incapable of a generalized answer because it depends on the particular arrangements made by each employee who is on that kind of leave or whatever. As and when, if there is ever any general policy adopted in that respect we will certainly advise the House, but I am not aware of any change in that at the present time.

MR. SPEAKER: The Honourable Member for Rupertsland with a supplementary.

MR. BOSTROM: A supplementary, Mr. Speaker. If there is a formal agreement between a particular department and an individual who is wanting now to return to his position as a result of his completion of the course, will that job be made available to him or will the freezes result in him not being able to return to employment?

MR. LYON: Mr. Speaker, the question is hypothetical.

MR. SPEAKER: Before we go any further, may I suggest to the honourable members that I have allowed the greatest of latitude in Question Period. The use of the Question Period is yours, if you so desire that you continue with questions that fail to elicit answers that is your decision. If you would wish so I would be willing to read to you section 171 of Beuchesne which does list in there what types of questions are of legitimate use in the Chamber, however, I know that you all have read that at some time or other, so I leave it to yourselves to use the Question Period for your own benefit. The Honourable Minister for Consumer Affairs.

MR. MCGILL: Mr. Speaker, yesterday the Member for Fort Rouge in a series of questions concerning the use of aluminum wire in construction directed one to my department and inquired if there had been any instances reported of hazard relating to the use of such material. My staff has advised me that there have been no instances brought to our attention of hazards resulting from the use of aluminum wire. They also advise me that because of the changing price differential that there is a tendency now to revert to the use of copper wire. I am further advised that any hazards which might possibly become associated with the use of aluminum wire are most likely to occur in respect to the installation, or the techniques used in its installing. In this sense, after consulting with some of the government agencies, it bears out the report that has already been given to you by my colleague, the Minister of Labour, who indicated that installing techniques were of critical concern in this area.

MR. SPEAKER: The Honourable Member for Rupertsland with a supplementary question.

MR. BOSTROM: In view of the fact that there have been commitments made to the staff who have left on educational leave, commitments that they would have a job when they returned from the completion of their work, will the First Minister confirm that these commitments will be honoured by his government?

MR. SPEAKER: The Honourable Member for Fort ROUGE.

MR. LLOYD AXWORTHY: Mr. Speaker, I have actually two questions for the Minister of Consumer Affairs, one arising out of his statement, by which I thank him for providing. My question would be first, if the concern is there about the installation procedures, would the minister undertake to acquire the evidence that is presently being presented in the United States jurisdictions concerning the hazards of the use of aluminum wire, or its installation, to determine whether in fact that it projects any possible hazards to safety in the province of Manitoba and whether that information should be applied and reviewed in that context?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, I am informed and my understanding is that there there are no court cases in Canada presently before the courts relating to any problems in respect to the use of aluminum wiring. I am also informed that there is only one such case now before the courts, or having been recently before the courts, in the United States. Certainly we are aware of the member's concern and any developments in respect to this subject, I would be very pleased to convey to him.

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

MR. AXWORTHY: Mr. Speaker, it's to the same minister. It's another question on another topic, if I may be allowed. It has to do with another court decision of the Supreme Court related to the affirmation that the federal government has full responsibility for the regulation of the cable systems. There are cables in each province, and I would like to know whether this means that the province of Manitoba will now change the stated policy of the previous government, which asserted that the Manitoba Telephone System had power of regulation over non-telephone uses of the cable and could allocate those uses as it saw fit. Can we now expect a change in that policy as a consequence of this court decision?

MR. MCGILL: Mr. Speaker, I have read the judgment to which the honourable member refers, and I accept his concern and his interest in how this will impinge upon any previous policy decisions or announcements that may have been made in respect to cablevision by the previous administration. This government has under consideration policies that have already been undertaken and whether or not these will be changed is a matter for this administration to consider, and when these decisions have been made, they will be reported in the proper form.

MR. SPEAKER: The Honourable Member for Fort Rouge with another supplementary.

MR. AXWORTHY: A supplementary question, Mr. Speaker. In light of the review then that the minister has indicated will take place, would he indicate to the House whether the government will proclaim the legislation that was passed last year concerning the regulation of the cable system by MTS or does it intend simply to allow that legislation to lapse, as was recommended by members of both sides of this House last year?

MR. MCGILL: Mg. Speaker, I believe the Member for Fort Rouge is referring to Bill No. 57, which was not proclaimed, and that is a matter, Mg. Speaker, which the government is reviewing. Again, I might say that when any decisions are made, they will be announced to the House.

MR. SPEAKER: . Some more question for the Member for Fort Rouge.

MR. AXWORTHY: Mg. Speaker, thank you for the final shot in the barrage. I would simply ask a supplementary question of the minister then, that in light of the review of the legislation that is being taken, would he indicate whether there is at all any enforcement of the practices of the use of the cable by the Metropolitan Telephone System under the anticipation that that legislation would be in effect. In other words, are they in any way presently prohibiting the use of a cable by private manufacturers or uses in accordance with the terms of that legislation at the present, and will they be so instructed to cease and desist at the present moment.

MR. MCGILL: Mr. Speaker, I would like to consider that question, which has a number of interesting ramifications, and I'd be pleased to take that as notice.

MR. SPEAKER: The Honourable Minister of Health.

MINISTERIAL STATEMENT

HON. L.R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, this morning the Honourable the Leader of the Opposition asked me for a situation report on the strike situation at Misericordia Hospital. I gave him what information was available at that time. I'd like to give him a current status report now, with his leave. Mr. Speaker, the Misericordia Hospital is resuming normal operations at the present time, despite the fact that there's been no final resolution of the strike as yet. The union, demonstrating considerable responsibility I might say, has been reporting for duty — its membership has been reporting for duty more or less on a normal basis. At the moment, the hospital is down to 130 patients, which is substantially below its capacity, but they've been visited by nurses who have been discharged to work in the community, and those patients are now being returned to the hospital. The hospital is resuming normal operations. As far as I know, an offer from the hospital board is either in the hands of the union negotiating committee or in transit to the union negotiating committee. That's where the situation sits at the moment.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, that is welcome. Flowing from the honourable minister's report, I should like to ask him if he meant to imply that the interim intake policy of the hospital would now henceforth be changed to proceed back to normal accommodation and therefore increase intake.

MR. SHERMAN: Mr. Speaker, it's my understanding that that is what is happening, and that's the procedure that will be followed. There is, of course, some risk in that, but the hospital is proceeding on that basis anyway.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Yes, Mr. Speaker, this is not a supplementary, but to the Minister of Public Works reporting for MPIC. I should like to ask the minister if he would care to take this opportunity to indicate directly to the House if a decision has been taken as yet with respect to proceeding, or not proceeding, with the increase in death and disability benefits payable under Auto Pact to those in that circumstance or the survivors thereof.

MR. SPEAKER: The Minister of Public Works.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I can indicate, through you to honourable members opposite, that no policy decisions affecting any changes in the present level of services at MPIC have been taken at this time.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. BANMAN: Thankyou, Mr. Speaker. Several days ago I took a question as notice from the Member for Inkster with regard to the public involvement in Flyer. Today I would like to report that the net investment to the people of Manitoba is a little better than \$14 million. The losses of that particular enterprise have been \$16.2 million so the member was quite correct in stating that there wasn't a \$40 million loss. There is an investment of public funds with a loss and current investment of a little over \$30 million.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Well, Mr. Speaker, given the fact that the total accumulated losses are \$16 million and not \$40 and that the Free Press and Tribune have labelled the Conservative government by suggesting a \$24 million loss in one month of operation, would the minister not inform the media that they are libelling the Conservative administration by suggesting that in one month you have lost \$24 million and that the operation has a total accumulated loss of 16 and is making money this year.

MR. SPEAKER: Orders of the Day. The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, through you, I would like to address a question to the Minister of Industry and Commerce and ask the minister if he is prepared, at this time or within the next few days, to table a report or document regarding the estimated outflow of \$1 billion, over five years, because of the succession duties?

MR. SPEAKER: I want to bring to the member's attention that that question, I believe, has already been asked today. The Honourable Member for Brandon East have another question?

MR. EVANS: Well, Mr. Speaker, then, I would like to ask the Minister of Industry and Commerce another question related to this subject. If he's not prepared to provide us with a copy of the report, could he provide us with the basis of estimation of this figure, or with the methodology used in compiling the \$1 billion estimate?

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

MR. BILLIE URUSKI: Mr. Speaker, I would like to ask the Minister of Public Works whether he is intending to change the rating policies of MPIC.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. ENNS: Mr. Speaker, I believe it's just as well that the honourable members ought to know that it's not our intention to indicate to the honourable members opposite what we intend to do about this, or what we intend to do about that. We'll announce it as government policy when we do something about it.

MR. URUSKI: A supplementary question, Mr. Speaker. Does the minister accept the longstanding insurance practice of rating automobiles on the basis of use and miles driven?

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would like to ask a question, through you, Sir, of the Minister of Industry and Commerce. Does the Minister really believe the reliability of the estimates in the so-called report which shows the \$1 billion outflow? I ask that question, Mr. Speaker, by way of clarification, I ask that question very seriously because the Minister of Finance, in introducing the bill last Friday said, and I am quoting from Hansard, "Mr. Speaker, it is difficult to assess, in any formal way, the impact that this legislation has had in the past on driving investment capital out of Canada. It is difficult to say because there are no direct ways by which a government can get and develop actual figures." Based on this, I would like to ask the Minister of Industry and Commerce if he really believes the reliability of the estimates provided in that report? Does he really believe them?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. BANMAN: Mr. Speaker, if the member will read Hansard, and read my statements, I said it was a guesstimate provided by the department, and the degree of which we have no accurate way of assessing. However, Mr. Speaker, this is an assessment that was done by the department and the degree of which can be argued. However, the point that I was trying to make — and the minister knows very well — is that there was a migration of capital out of the province, the minister knew of it, maybe he couldn't do anything with his colleagues about it but he knew of it and we're going to rectify that problem.

MR. EVANS: Well, Mr. Speaker, a very simple supplementary. Is the Minister of Industry and Commerce now telling us that he believes every piece of paper that's put in front of him, by his staff, even though it might be Mickey Mouse research? —(Interjection)—

MR. SPEAKER: Order please. Order please. The Honourable Minister of Industry and Commerce.

MR. BANMAN: Mr. Speaker, I just throw a question back to the former minister. Is he trying to tell me that the staff that he left me with is a bunch of Mickey Mouse researchers? I take exception to that.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, leaving Mickey Mice and Goofies aside, I would like to ask the Minister of Industry and Commerce whether he is prepared to make a guesstimate due — to use his own expression — as to whether he is willing to vouch that there was no migration of capital out from Manitoba in the decade of the 1960s? Since you like to make guesstimates, would you care to make one on that?

MR. BANMAN: Mr. Speaker, the Leader of the Opposition should compare apples with apples. We are working under a different set of rules, there was no such thing as capital gains tax and there were no other provinces in Canada that were faced with the problems that we are now, having three neighbouring provinces not having this type of legislation.

MR. SPEAKER: The Honourable Leader of the Opposition, but before I recognize him, I want to warn members that we are almost approaching an argumentative stage here. The Question Period is for the purpose of soliciting information.

MR. SCHREYER: Well, Mr. Speaker, I can easily avoid being argumentative by asking a question that is purely interrogative and that is, is the minister in a position to confirm that there was no significant migration, out migration, of capital from Manitoba in the decade of the 1960s? That is a matter of record.

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

MR. D. JAMES WALDING: Mr. Speaker, I would like to ask the Honourable Minister of Labour whether she has an answer for the question that she took as notice on Monday.

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA PRICE(Assiniboia): Mr. Speaker, I do have an answer, but I was at a meeting at noon and I forgot my glasses and it is figures that I have to give you, and I can't read them without them, so if you would bear with me until tomorrow morning I will be glad to give them to you.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Continuing Education. I would like to know whether he could confirm that there is a staff freeze at Red River Community College in terms of (a) no further additions, and (b) no replacements of normal retirements.

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS(Gimli): Mr. Speaker, to my knowledge, adequate staffing is being provided at Red River Community College.

MR. DOERN: Well, Mr. Speaker, perhaps I could rephrase my question and just ask him whether he could confirm or deny reports that people who are retiring at the college are not, in fact, being replaced, and therefore, the college is functioning short of staff.

MR. COSENS: Mr. Speaker, I'm not aware that that's taking place, whether our staff retirements are being filled.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, my question is directed to the Minister of Labour. In light of the fact that a worker was killed in an industrial accident at the Border Chemical Plant in Transcona on I think November 7, 1977, has the minister established an enquiry into that industrial death?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, I will have to take it as notice.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Speaker, I have a question for the Minister of Industry and Commerce in his capacity as Minister also responsible for tourism and recreation. Does the Minister recognize and will he respect the agreements that have been made with respect to educational leave in his department?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: On a point of order. That question has been asked and my honourable friend was given an answer. If he has, as I think he has, the ability to understand the English language, an answer was given to him and if my honourable friend wishes then to look at Hansard tomorrow and reappraise himself, I made clear that each case would have to be dealt with on its own merits according to the arrangements made and there was no policy to announce in that regard at the present time. Now surely, Mr. Speaker, even my honourable friend, I think, can understand that.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, I address a question to the Honourable Minister of Labour. In answer to my colleague's question yesterday it was stated that an inquiry was under way to this week's mining fatality in Flin Flon. My question to the honourable minister then is where is that inquiry under way?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, the inquiry just proceeded as of yesterday and I don't have any answer at this early date.

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

MR. COWAN: Mr. Speaker, then due to the fact that she has informed the House that the inquiry is under way, could she please also inform the House as to what format this inquiry is presently taking.

MR. SPEAKER: Orders of the day. The Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Speaker. I'd like to redirect my question to the Minister of Public Works in case he didn't understand me earlier. Does he accept the longstanding insurance principle of rating automobiles on the basis of use category and miles driven?

MR. SPEAKER: The Honourable Minister of Public Works.

MR. ENNS: Mr. Speaker, I have trouble accepting any longstanding practises by whomever and whatever. I am looking at the responsibilities that my premier has given me in this portfolio with optimism, with an open mind and an objective mind prepared to consider all new and innovative arrangements that a new minister ought to bring in the discharge of his responsibilities in his office and that, Mr. Speaker, is precisely what I intend to do.

MR. URUSKI: Thank you, Mr. Speaker. I wish the honourable minister now would answer my question.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Speaker, in view of the fact that he is an individual who is on educational leave and has completed his course, it was brought to my attention this morning he formerly had an agreement with the Department of Tourism and Recreation and has been refused in his bid to regain his position in that department, will the honourable minister please investigate the policy of his department and whether or not they are following through on the commitments that have been made?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. BANMAN: Thank you, Mr. Speaker. I'll take that question as notice and get back to the member.

MR. SPEAKER: I may also remind members there are five minutes left. The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I'd like to address a question to the First Minister. I understand that there is an energy ministers' conference now in process in Ottawa and I wonder if the First Minister can advise the House whether his government is taking any particular position with regard to the topic of

conservation measures. I believe this is one of the items, according to the newspaper reports, to be discussed today in Ottawa. Has the new government in Manitoba taken any particular position today at this conference?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the Honourable the Minister of Finance who is responsible for energy matters I hope and expect will be back in the House tomorrow or Monday and my honourable friend can have full opportunity to ask him that question at that time.

THRONE SPEECH DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Member for Pembina and the amendment moved by the Honourable Opposition Leader. This question is now open. The Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Speaker. First of all, as is customary in any opening address at the beginning of a new session, I would like to offer my congratulations to you, Sir, on your appointment to the highest office which this House has the honour to bestow on any member.

I would also like to offer my congratulations to all those new members of the legislature who have been elected in this recent election — the new members on this side of the House and the many new members on the other side of the House, my congratulations to you on your election. Particular congratulations to those new members who moved and seconded the Speech From the Throne, Mr. Speaker. I listened with interest to the new Member for Pembina who gave us a very good description of his constituency and, as other members have noted, it certainly seemed as though we were seeing a new and younger George Henderson in this House and I expect that we will have many interesting moments and discussions with the new Member for Pembina.

Mr. Speaker, as I listened to him and his colleague for St. Matthews who gave their impressions of what they had hoped and what their dreams were for their constituencies I couldn't help but feel somewhat sorry for them in the sense that I don't believe that their aspirations for the many new programs and projects that they are desiring for their constituencies will be achieved by this government which they are a part of.

Mr. Speaker, I have to offer my sympathy to the new members of the opposite side who seem to have been effectively muzzled by their First Minister. In this session as we have seen up to date, I may be wrong in the days ahead, but the obvious impression that is left with members on this side of the House, Mr. Speaker, is that these new members have been effectively muzzled since none of them have got up to speak in reply to the Speech from the Throne. Mr. Speaker, I will be happy to be proved wrong in the days that follow if we can see some of these new members rising in their places and offering their contribution to this House. But, Mr. Speaker, up to date I can only offer my sympathies to them and, more particularly, to their constituencies because, Mr. Speaker, in this first session that they are elected to they have failed to represent their constituencies by getting up and making the problems and concerns of their constituents known. And, Mr. Speaker, I believe that each one of them ran as candidates in their constituencies with the promise that they would be effective members in this House.

Mr. Speaker, I would like to offer my particular thanks and appreciation to the voters of Rupertsland for returning me to represent them in this House with an increased percentage of the vote over the last election. It is certainly gratifying to me and a very great honour to serve that constituency in this legislature.

Mr. Speaker, I believe that the new government of Manitoba will certainly, over time, prove that they are not the best government for this province. They will not be a government of the people of this province. It's very obvious from the workings of just the last few days of the first opening actions of this government, Mr. Speaker, that they will be a party of the rich, a government of the rich and the powerful in this province.

A MEMBER: Now, now, now, now, now.

MR. BOSTROM: Mr. Speaker, to be very blunt, I believe that this government will be a government for the greedy, not for the needy.

Mr. Speaker, I believe that they will not deal effectively with the number one priority in Manitoba today, and that is jobs; jobs for the people of this province. Mr. Speaker, there is a very great crisis situation in Manitoba right at the present time with respect to the unemployment problem in this province and the recent actions of this new government, Mr. Speaker, have done nothing to alleviate that problem. In fact Mr. Speaker, their actions have created greater problems and I predict, Mr. Speaker, that their future actions will create even greater problems for the unemployment picture in this province.

I would like to say a few words, Mr. Speaker, about the election campaign which we have just recently come through, six weeks ago. — (Interjection) — Yes, I would like to talk about it, Mr. Speaker. I think the Honourable Member for Inkster put it very well this morning in his analogy of ten people in one room and that in future elections with the kind of polarization that we have seen in this

election it will be an easy task for us to unseat this group across the way.

Mr. Speaker, it's not so much that the Conservative party won the election in Manitoba. I believe they possibly could have won with a straightforward honest campaign. But, Mr. Speaker, I believe they did not conduct, overall, an honest straightforward campaign in this province.

Mr. Speaker, we saw the spectacle of the TV commercial which was presented to the people of Manitoba which shortly after it was presented and after the damage had been done, Mr. Speaker, it had to be shamefacedly removed from the television. We saw the feeble excuses that the Conservative party, and with the cooperation I might add of the CTV, we saw the feeble excuses that were put up, that perhaps this TV commercial was all a big mistake. If we overlook that kind of thing, and we get down to the main issues which were put forward in the election campaign we see that the Tories most often, and most fervently, misrepresented the problem of unemployment in this province as it relates to other provinces in Canada. Mr. Speaker, in their statements publicly, and in their pamphlets tried to create the impression that Manitoba had the worst unemployment problem in this country, and the worst job creation record in Canada. Well, Mr. Speaker, this is not the fact; they chose to ignore the facts; they chose to misrepresent the facts, and Mr. Speaker, this is certainly not a very straightforward way of running an election campaign.

I believe that if the experience of the election campaign is an example of how they will operate as a government, Manitoba people better be prepared to become cynical of politics, and of government action in this province. I believe it will not take very long for that one person, that the Honourable Member for Inkster referred to this morning in his analogy, to switch over to this side.

I believe it was significant for the New Democratic party in this province, Mr. Speaker, that the Conservative party in their election campaign found it necessary to refer to the New Democratic party reforms, while they were in government, and say that they were good reforms; that they were adopting them; that they were going to continue them; that they would keep these things up and, in fact, some of the members who were campaigning in their individual constituencies were even promising to improve upon them. Mr. Speaker, we hear from the mover and seconder of the Speech from the Throne that they would like these programs improved in their constituencies. Well, Mr. Speaker, I think that they are going to be very greatly disappointed, along with their constituents, if they are serious and sincere in their belief that this group here will improve the services of their constituency, especially with respect to the New Democratic party reforms that were brought in while we were in government.

In every piece of literature, Mr. Speaker, they stressed that the voters had nothing to fear, nothing to fear if a Conservative government was re-elected, it would keep all of these things. Mr. Speaker, if they were honest, and if they are going to continue these programs and adopt them and carry them on as part of their party policy, then the New Democratic party in this province has achieved a great conversion, they have converted the Conservative party, the party have made the Conservative party one of social reform. But, Mr. Speaker, I do not believe that they have really accepted these programs and have adopted them. I believe that their actions, over the succeeding years, will prove that they were not straightforward in their promises to the electorate in Manitoba.

Mr. Speaker, we saw the Conservative promises, during the election campaign, of tax cuts, and these tax cuts were widely hailed as being the answer to all problems in Manitoba. They were going to be the answer to inflation because it was going to put more money in people's pockets, it was going to be the answer to jobs because it would create a favourable business climate in this province and the businesses would flock here, and the ones that were here would expand their operations. Well, Mr. Speaker, we've seen the results of their promises, they have come into this legislature and made announcements here that there would be tax cuts, and who have those tax cuts benefitted? I'll tell you, Mr. Speaker, it is very clear that the tax cuts that they have proposed and have announced are benefitting mostly the rich in this province. The removal of succession duty taxes benefit the rich. Clearly, those people who have the highest estates in this province, the greatest amount of estates, the top one percent of the income scale in Manitoba are benefitting from the removal of succession duties. Ninety-nine percent, I would submit ninety-nine point nine percent of my constituents, Mr. Speaker, will not benefit from the removal of this tax. If there's . percent of people in my constituency who will benefit from this tax I probably have yet to meet them.

? Mr. Speaker, I would also make a comment about the promise that the Conservatives made, which I believe was picked up by many people in the vain hope that they would follow through with their promise, and that is the one that there must be, and there will be jobs, and the Conservative government would be the one that would deliver on this promise. Well, Mr. Speaker, what have we seen since this government has come into power? We've seen the plant closure of CCIL, we've seen the freezes and the cutbacks. Mr. Speaker, we've seen freezes and cutbacks in government programs, particularly those government programs that were designed to directly create jobs in the communities, the rural communities, the remote communities, in the cities, among the unemployed and the people on welfare who require jobs. Mr. Speaker, we saw the cutback at INCO. Where is this great business climate, this wonderful business climate that was supposed to suddenly appear like we were moving the island of the Bahamas to Manitoba as soon as the Conservatives got elected? Shortly after they are elected INCO decides to lay off 650 workers in Thompson. We do not see the Honourable Minister of Northern Affairs, who is the member for Thompson, being able to offer any concrete suggestions to alleviate this problem in that constituency. I am sure, Mr. Speaker, that the people in that constituency, particularly those worried about their security, voted Conservative because they believed the Conservative party would be the best one to hold the mining companies in Manitoba. Well, Mr. Speaker, we have the spectacle of INCO and we will see what their policies will do

in the future besides giving away resources for nothing.

Mr. Speaker, we've seen the Conservative actions since the election. They suddenly discovered this new method of bookkeeping, this new invention of bookkeeping, which Mr. Speaker, it's very hard to accept that this new method was not politically motivated. The Conservative party in government is explaining this away as saying, well this method is used in other jurisdictions, this is the correct way of keeping the books, and so on. Why was it necessary to bring it in in the middle of a fiscal year? Mr. Speaker, I submit that this was brought in to paint the previous government as black as possible. It is obvious that this is the type of action, by this government, which is very similar to the action of the newly elected government in British Columbia that tried to paint the previous administration as black as possible. Well, Mr. Speaker, even their former leader of their party and premier of this province, I find it hard to believe, would agree with this method of bookkeeping because if you look back in the records, and refer to the budget addresses of their former premier, you will see that he was the one who brought in the method which the New Democratic party government was using in this province. In fact, he was the one who sold that method, so to speak, to the people of Manitoba. I believe it is a reasonable and just way of keeping the accounts of the province of Manitoba. I'll quote from the Budget Address of 1961 by the former Leader of the Conservative Party, and I quote: "No man in reason should suggest that we should impose on our people, our farms and our industries, onerous and discouraging levels of taxation to pay today for the full capital costs of our economic and social development." Mr. Speaker, this is what this group is planning to do — to throw out that system of bookkeeping and to bring in the most severe fiscal conservatism that this province has ever seen.

Mr. Speaker, it was pointed out by a political columnist, in one of the local papers that this type of bookkeeping that this government is adopting is like the family adopting a system of bookkeeping that would suspend their payments, their expenditures, on food and clothing and the necessities of life, in order that they could buy their house all in one year. Instead of spreading their payments out over a number of years they would cut out all other expenditures and buy that house out of their current expenditures. Well, Mr. Speaker, if they follow this method it's going to mean very serious consequences for the people of Manitoba, because if they are going to have any serious kind of capital improvements in this province, and they're going to pay those improvements out of current expenditures, and if they try to maintain any kind of balanced budget they are going to have to cut back very seriously, very severely, on the current expenditures in other areas in order to pay for those capital expenditures.

Mr. Speaker, I can only guess, as the Honourable Minister of Industry and Commerce seems to be very good at doing, I can only guess, but I believe that this will be at the expense of the needy in this province. They will cut back services to the needy people of this province in order to pay for any bookkeeping expenditures that they plan. This is, believe, Mr. Speaker, a very depressionist type of

I'd like to take a further look at their election campaign promise that there must be and there will be jobs and that this will be brought out through the following of their Conservative philosophy of maintaining a complete faith in the private sector to provide these jobs and to achieve this by means of causing tax cuts, of reducing the taxes to the business community and that somehow these people will take this tax money and they will use it to create further jobs in the country.

Mr. Speaker, this Conservative philosophy is not new, of course. It's followed by a number of governments in Canada. A number of Conservatively ruled provinces in this country have this faith in the ability of the private sector to create all of the jobs and, as my colleague the Honourable Member for Inkster pointed out this morning, Mr. Speaker, this is basically a declaration of dependence — a declaration that the people must be dependent on the private sector to do everything for them, that they cannot do anything themselves as a group collectively.

Mr. Speaker, I submit that in the short term following this policy as the present government is doing, nothing will happen. No jobs will be created. And we see that happening right now. They are not creating one job, not one job, Mr. Speaker, with the present policies that they have enunciated in this House and announced since the election. At best, Mr. Speaker, the most optimistic prediction, if you take the long range view, which they appear to be taking, several months will necessarily have to pass before these tax measures even come into effect and when they do come into effect they expect that jobs will be created like magic.

Right now, Mr. Speaker, we need jobs for the construction industry. Their freeze on the construction activity through the Public Works announcements that they have made have aggravated the situation by reducing the number of jobs available by 1400 in the construction industry alone. We need jobs for those displaced miners in northern Manitoba. We need jobs for the graduates of schools, colleges and universities in Manitoba. Many of them put their faith in this government by electing them as the government of this province. The rural and remote areas of this province particularly suffer from very severe unemployment and many of the people that are unemployed in the remote and rural areas of this province do not show up in the statistics that are put out by the Canada Manpower and other agencies because they're simply not on the unemployment rolls. Mr. Speaker, many of these people do not show up on the statistics and even though statistically we may have 50,000 or more people unemployed in this province right now I would say that a conservative estimate would be that we probably have 70 or 80,000 people unemployed in this province.

The recently announced tax cuts that this government has brought out will do nothing to help

these people. They pay little or no income tax now so they will not benefit directly from the tax cuts. They are not paying enough income tax or any income tax to benefit. They will have to wait months or years for the hoped-for jobs to be created by the private sector and I would say, Mr. Speaker, that this government is ignoring the most urgent priority of this province at the present time, that is job creation.

Let's just see what this marvelous philosophy that this government is following and is putting its complete dependence on, what this philosophy has done for other provinces and other jurisdictions in Canada. If you look at the recent news releases by the Free Press and the Globe and Mail and other newspapers, Financial Post, Mr. Speaker, you can see what's happening across the country and the kind of philosophy that has been enunciated by the present government. "In Ontario unions demand work to ease plight of Canada's jobless. Just recently, Mr. Speaker, the trade unionists staged a march" on the legislative building in Ontario. How long has Ontario had a Conservative government? Don't they have a good business climate? Isn't there a business climate that's conducive to the private sector there creating all the jobs that are necessary and answering all the unemployment problems in that province? What's happened to the business confidence in that province, Mr. Speaker? Here we are hearing that the delegates to the Ontario Federation of Labour endorsing an economic statement calling on the federal and provincial governments to rearrange their economic priorities to provide more jobs. Mr. Speaker, what happened to their great business climate that is supposed to come about as a result of having a Conservative government?

They also said, Mr. Speaker, that they believed those needed jobs will not be provided through the economic policies advocated by the Liberal and Progressive Conservative parties in Canada. And if you are looking at the two parties, Mr. Speaker, the Liberal party and the Conservative party, you can take it or leave it. Tweedle-dum, tweedle-dee. Neither one has any effective policy for dealing with the problem of unemployment in this country or this province.

Mr. Speaker, if you look at the B.C. situation — and here's a government and a party that this group over here tried to model themselves after in their election campaign and even in the way they approached and made their promises to the electorate in this province. Mr. Speaker, their promises, their commitments to the electorate had a, you know, a great effect for them in both those situations — both in British Columbia and in Manitoba. They ran just about on the same platform. So they may call that group in British Columbia by a different name but actually they are the same group, Mr. Speaker.

Let's see what's happening in B.C. after two years of having a Conservative philosophy in action. "B.C. government prods business to stop stalling and get going" is the headline. You read further into the article, Mr. Speaker, and you see that in Vancouver the elimination of 90 jobs last week in MacMillan Bloedel's head office looks like another shock to one of the shakiest sectors of the British Columbia economy — the business psychology. The shakiest sector of the British Columbia economy, Mr. Speaker, is the business psychology. That's after two years of this group in government over there that promised to restore business confidence and get that economy moving. Mr. Speaker it states here, "The Bennett government was elected on a promise of getting the economy moving."

They are coming up to a party convention, Mr. Speaker, and the convention is at the midway point between elections; two years after the election and two years before the next one. And it says, "The anxious party members are due to begin asking the premier when the economic action will be noticeable enough to permit a winning election victory."

Well, Mr. Speaker, here we have the Conservative philosophy in action in British Columbia and even the party members are starting to get a little shakey at the knees now because obviously this new philosophy in action is not working. And, Mr. Speaker, if we look at those great bastions of Conservative thinking and those bastions of Conservative support, the ones that obviously supported this party over here to get them into government in this province with the promise that this group would get this economy going: "The MacMillan Bloedel job chop was one of two shocks last week from the forest industry." And, Mr. Speaker, one of their senior executives speaking to a meeting forecast substantial pulp mill shutdowns next year to reduce abnormally high inventories.

So, Mr. Speaker, things don't look very good in B.C. and in fact, Mr. Speaker, it said all these developments in B.C. are bound to underline "the prevailing mood of pessimism in B.C." The business community in B.C., Mr. Speaker, is not doing very well. It is not feeling very well as a result of the policies in action of the Conservative philosophy.

Mr. Speaker, another one of their senior executives of one of these major corporations said, "I don't want to be a doom and gloomer but I think our economic prospects are dim." Well, Mr. Speaker, here is a Conservative philosophy in action for two years and the economic prospects in that province are acknowledged by their own supporters to be dim.

Mr. Speaker, this is not just the case with the Conservative philosophy in action in those two provinces. We have a Conservative government in Ottawa, too. It's called a Liberal government but it's really a Conservative government. It has exactly the same philosophy when it comes to job creation. Their answer to dealing with the problems of unemployment is to give corporate tax cuts. The most recent, Mr. Speaker, was a \$1.2 billion tax cut to the corporations. The New Democratic members of parliament, Mr. Speaker, moved an amendment to that proposal in the House of Commons. They proposed by their amendment that that \$1.2 billion be used for the purpose of putting the unemployed to work on socially useful projects. Well, Mr. Speaker, who opposed that project, that proposal? Both the Liberals in power and the opposition Conservatives in the House of Commons voted against that New Democratic party proposal. So they both are cut from the same

cloth, Mr. Speaker. They are cut from the same cloth. They both believe that all you have to do is lay your cards on the table with the major corporations, ask them to do the job for you of getting the economy going, and they will do it. Naturally the corporations are going to accept the donations from the federal and provincial governments; they'll take the donations, they'll accept them as largesse and do no more, Mr. Speaker. Then you have the headlines, "PC Government Prods Business to Stop Stalling and Get Growing". I predict, Mr. Speaker, that in two years in this province, after two years of this Conservative government you'll have headlines which may not even be as polite as this. It may be, "The Premier Kneels at the Feet of the Big Business in Manitoba and Begs Them to Get Growing." — because, Mr. Speaker, I believe after two years of Progressive Conservative government in this province things are going to be so bad, Mr. Speaker . . .

A MEMBER: Things are going to be so good you'll even want to stay here.

MR. BOSTROM: Things will be so bad, Mr. Speaker, that maybe the two former Premiers of the Conservative party will move out of the province, instead of moving back here as they did under the New Democratic party government.

Mr. Speaker, the fact is that the New Democratic party does not object to business, and Mr. Speaker, we were greatly harassed by the Conservative party during the election with the idea that somehow the New Democratic party was chasing business out of this province. Well, Mr. Speaker, small business in Manitoba never had it so good as they had it under the New Democratic party government, and the small businessmen in my constituency, Mr. Speaker — Mr. Speaker, I can speak from personal experience — the small business people in my constituency to a man never had it so good as they did under the eight years of New Democratic party government, and you know why? Because the people had money in their pockets, people had money in their pockets, there was activity going on in the rural areas — our Stay-Option Program or our Job Creation programs were putting money into the pockets of the people, and when people have money in their pockets they are going to spend it, and if they spend it who benefits? It is the businessman that benefits, it is the businessman that responds to growing demands to increase his business. Mr. Speaker, if people are not working, and you give tax breaks to the businesses, all they're going to do it say, "Thank you very much", and put the money away in their pockets and it will do nothing to stimulate the economy, nothing.

MR. GEORGE MINAKER (St. James): You said you weren't against business.

MR. BOSTROM: That, Mr. Speaker, is not going to assist in getting the economy going in this province. What will assist businesses is if you can get effective demand working; if you can get effective demand so that the businesses will respond to that by increasing their production, increasing their staff to respond to the increased demand, if they are providing service, they will respond to increased demand. They are not going to respond to reduction in taxes. The few hundred dollars that they are going to save in their taxes are going to do nothing, nothing, to get the businesses of this province to expand and to create jobs.

Mr. Speaker, the most classic example of the failure of tax cuts to create jobs in Canada has got to be INCO. You can just look at what has happened with INCO over the last few years. Mr. Speaker, the International Nickel Company has done very well for itself in Canada. Over the past ten years its profits amounted to \$1.7 billion or a 14 percent return on its investments. Its profits for this year are estimated at over \$100 million plus a tax concession of \$10 million. In addition to all this largesse, INCO has deferred taxes of \$378 million, which are in effect interest loans. To put some icing on the cake, the federal government's Export Development Corporation operating on a Conservative philosophy has loaned INCO \$70 million at lower than commercial rates for the purpose of opening up mines in Guatemala, Indonesia, and New Caledonia.

MR. JORGENSON: Which government has loaned them that money?

MR. BOSTROM: Mr. Speaker, the federal government operating under the same philosophy as the Conservative government in this province.

MR. SPEAKER: Order please. The honourable gentleman has five minutes.

MR. BOSTROM: Thank you, Mr. Speaker. So, Mr. Speaker, I submit and I said earlier that it's tweedle-dee or it's tweedle-dum, if you have a Liberal government or a Conservative government in Ottawa. In fact if anything I think the Conservative government is probably even a little bit worse, a little bit worse, and I will get into that.

Mr. Speaker, with all these handouts you would think that INCO would appreciate the things that the Canadian taxpayers have done for them, and they would hire additional manpower in Canada, but what have they done? It has announced it will lay off 4,000 workers, 650 of them right here in Manitoba, Mr. Speaker, at the International Nickel Plant in Thompson. Mr. Speaker, Canadian taxpayers should know that they have made it possible for INCO to expand its operations abroad while 4,000 of its workers in this country have been laid off.

All of this, Mr. Speaker, can be used to prove that this idea of priming the pump at the top in order that you would hope that some of it will trickle down to help the people at the bottom is just a bunch

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of nonsense. These big corporations and the companies that get the tax cuts just take the money and they keep it, and particularly at this point in our economic problems when most of the capacity of these plants is being under-utilized. So, Mr. Speaker, if somebody is under-utilizing their capacity, whether it is in the service industry or in the manufacturing industry, why will they expand their operation if you give them a tax cut. It is not going to get them to expand their operation. The only way they will expand it is if there is effective demand out there so that they can sell their service or sell their product. This idea of handing out tax cuts to under-utilized industries, Mr. Speaker, is just the greatest degree of foolishness that we have ever had. Mr. Speaker, this is what we have from this government in Manitoba today, is the foolishness of thinking that their idea of tax cuts to big business is going to create jobs in this province. It has been proven to fail in the past and it will fail in the future.

Mr. Speaker, we have seen the Conservative philosophy in action only very recently in Manitoba over the last five weeks. Well, already we have seen what is happening. Here, "The Government Public Works Freeze Adds To Construction Industry Woes; five percent increase in unemployment in the construction industry, 1,400 people out of work lining up at the Unemployment Insurance desks in Winnipeg to collect federal unemployment insurance." All of which adds to the fires of inflation, Mr. Speaker, because this money is being handed to people for doing nothing, for doing no productive work, and, Mr. Speaker, it is not creating any sort of alleviation of the inflationary pressures in this country. We see the farm machinery co-operative in this province getting public rejection by the Minister of Finance in this legislature, a public rejection. He couldn't just send them a polite little letter and tell them that, no, the provincial government doesn't want to assist you, and allow them to go off on their own and try to find more investment. He has to make it public by getting up in this House and announcing it to the world that this industry is getting a slap in the face.

Mr. Speaker, the cutbacks and freezes on the Job Creation Program, which would have provided thousands of jobs in Manitoba, has been frozen by this government, and/or cut back, we are not sure which yet. It will certainly not assist in the unemployment problems, in fact, it will aggravate them. And, Mr. Speaker, what is the Honourable First Minister's reaction to all of this, his responses to inquiries by the press as to what could be done. "Let the Unemployment Insurance do it, let the Unemployment Insurance pay these people that are out of work. We have no responsibility to try to create jobs for them as a government. Let UIC do it." That is the kind of calloused, uncaring attitude that this government has already displayed in only 35 days or whatever it is, of office in this province. Mr. Speaker, I am sure from his comments where he calls the Prime Minister of this country "Trudeau and His Gang", I am sure that he will be advising his federal colleagues in his own party in the Federal Commons to be critical of the federal government for paying out too much in unemployment insurance, while he is advising them to pay it in this province.

The result, Mr. Speaker, of these freezes and cutbacks is going to mean a long, cold winter for the unemployed in this province, a long, cold winter, and the Minister of Public Works and all of his colleagues will sit back and do very little about it by the looks of it.

Mr. Speaker, I believe that the future . . .

MR. SPEAKER: Order please.

MR. BOSTROM: Five seconds, Mr. Speaker.

MR. SPEAKER: Okay.

MR. BOSTROM: I believe the future of this province looks gloomy with the depressionist policies and depressionist philosophy that this government is following.

MR. SPEAKER: On the proposed motion — the Honourable Member for St. James.

MR. MINAKER: Mr. Speaker, I beg to move, seconded by the Honourable Member from Emerson that debate be adjourned.

MOTION presented and carried.

ADJOURNED DEBATES - SECOND READING

BILL NO. 2 - AN ACT TO RATIFY AN AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA UNDER THE ANTI-INFLATION ACT (CANADA)

MR. SPEAKER: Bill No. 2 - the Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Speaker. In rising to speak to this bill — first I want to make my position quite clear on the bill — quite unequivocally it is going to be non-support. I do not intend to vote for the bill, and I don't intend to take too much time of the House telling you why I'm not. I will say

this, Mr. Speaker, that legislation that was introduced by the federal government two years ago, or around two years ago, was one that was opposed, and is still opposed, by the Trade Union Movement of Canada. I've been a member of the Trade Union Movement myself for many more years than I care to remember. We, in the Trade Union Movement, do not oppose wage and price controls per se. I mean, if we had their type of wage, price, profit control that would have been something, but what we had introduced and has been proven, was a wage control for the workers of the province of Manitoba and the Dominion of Canada. But prices, especially those prices on food, rent — we were forced into rent controls — and I certainly don't support the concept that the federal government introduced — in their legislation, that they would look after the workers in the private sector, and that the provinces would have to look after the workers in the public sector. As far as I am concerned these people are all part of the work force.

You know, I made my mind up quite some time ago that I was not going to support this legislation, but the Honourable Member for Inkster, in speaking yesterday, convinced me more than ever that I should not support this type of legislation. I know the Honourable Member for Inkster says that he is going to support the legislation. I know also that the Honourable Member for Inkster is opposed to controls of any kind, and he has said it on more than one occasion.

What has this caused for we in the trade union movement? It has caused us wage negotiation costs in dealing with our employers who hide behind guidelines of the Anti-Inflation Board. If we're not satisfied with that negotiation we go then to the Board itself and again costly legal fees. You know, we talk about inflation, well, the wage negotiations that have been carried out by trade unions all across this country, in the last few years, have been inflated, inflated by this type of legislation. Not only have they had to negotiate with their employer, not only have they had to negotiate with the Anti-Inflation Board, and if they don't agree with that they have to negotiate with the Administrator.

Speaking of the Administrator, you know that's a beauty. That's like playing dice with a Mississippi gambler who has loaded dice and playing on his boat. You know there have been cases where wage negotiations have been agreed upon between management and labour, the Anti-Inflation Board has stepped in and ruled that the amount was not in keeping with the spirit of the Act. The Unions then involved had the opportunity to go to the Administrator. They may have got 10 percent or 11 or 12 percent from the Anti-Inflation Board or a lesser figure, but lo and behold, you go and you carry on this third negotiation with the administrator, and by God, he cuts you down even more. As I said, it's like playing dice with a Mississippi gambler, on his boat, and his dice which are loaded in the first place. And, then you ask the working people of this country to support that type of legislation.

You know when we talk in this House about the government here bringing in legislation to curtail, or even do away with, and I think that's it, that's really the main thrust of the legislation with Family Law that has come across. That's what they are going to do, they are going to kill it and bury it, and we tell them that they have no mandate. That's bad enough, but the federal government, the Trudeau government went out in an election campaign and campaigned on a campaign issue that they were not going to institute wage and price controls. You know if anybody should have been impeached for lying to the people of Canada it should have been the Prime Minister. He was the one who stated, at an election campaign addressing workers in Southern Ontario, that he would not institute wage and price controls. That was part and parcel of their campaign. That is what you people may be doing with family law and maintenance, their's was even worse. You didn't even mention it. You played it cute, in what you're going to do to family law. But Trudeau, in his wisdom, said "Ok, no, we are not going to institute wage and price controls", but by God, they were in power less than a year before they introduced it.

As I said, Mr. Speaker, you could talk on this for 40 minutes, 40 hours and I still don't think we would be getting anywhere. As the honourable member for Inkster said — I believe it was yesterday or was it the day before, in debating this — the federal government had the opportunity, it was their responsibility, it was their legislation, why didn't they introduce this legislation to cover all workers? We, when we run as a party in an election, we come out with an election campaign and our campaign promises. We carry out those promises. We did in 1969, and when we were finished as a government in 1973 all the campaign pledges that we had made were carried out. I don't see why this House and myself in particular — I can't speak for other members in this House and I don't in — tend to speak for other members of this House but I don't see that I should be compelled to pull Trudeau's chestnuts out of the fire. As the honourable member for Inkster said, the method that we used was one that was used by the province of Ontario, it was one that we tried. It was appealed by civil service unions here in Manitoba, appealed to the Supreme Court, and it was ruled

ultra-vires by a count of five to four. As the Honourable Member for Inkster said this morning, in his contribution to the Throne Speech Debate, five to four, and that's approximately the ratio of the government over there and the opposition over here. One Supreme Court Justice — and the Honourable Minister for Inkster bringing it down to very simplistic terms, to very simple numbers, ten people in one room — all right, you had nine people in that room in the Supreme Court who made a decision, five to four. It could have just as easily been the other way, and it was my understanding that the main thrust of the Progressive Conservative Party, who were elected as government here in the province of Manitoba on October 11, it was their main concern for bringing us here for this first session — I'm not going to call it a special session — for this first session of the thirty-first legislature. That's how close it was, and to condemn my leader, to say that he opted the easy way out, you can do what you like and I'm not sure how I would have voted if he had brought it in, I'm pretty sure I would still be voting that way, that I'm telling you how I'm going to vote now. I'm not against wage and price

controls per se if they're fair, but we have not had fair wage and price controls. The controls have been on those who have to fight for their wage increase once a year, maybe it's a two-year contract, maybe a three-year contract. We're not like the people in the stores, or in industry, or what, who, under this beautiful setup of legislation that the federal government introduced, can increase their prices. We have one "kick at the cat t" to increase our price, and we have to live or die by that agreement that we achieve at that time. That's not to say that some of the wage settlements that went on in the past were not accepted, because some of them were. To blame the Trade Unions alone, I think, is simply not right. As I have said before, I'm not condemning my leader and the members of the Treasury Bench for adopting the method that they saw fit, it wasn't their piece of legislation. I think it was a shirking of responsibility on the part of the federal government. It was their legislation and if they were going to bring in legislation that was going to deal with wages, then they should have said "we cover all of the work-force, all in Canada". They have that power under the National Emergency Act, they did it in World War II, they had a Wartime Prices and Trade Board. The provinces didn't have to legitimize their section of it during wartime. It worked, it worked fairly well, and as I said — I think it was last spring in the Throne Speech Debate — wage and price controls will work under two circumstances. They will work in times of dire emergency, national emergency, they will work in wartime when you convince people that they must do so. The federal government did not convince the people of Canada that wage and price control was the measure to bring in. There is one other way where it will work it will work in a dictatorship. —(Interjection)— Certainly, it worked very well in a dictatorship. You can set prices of wages, prices of goods and commodities in a dictatorship. —(Interjection)— Oh no. My friend wants to talk about socialists, he wants to talk about communists. There's a very vast difference. I'll be called to task by the Deputy Speaker if I stray from the spirit of what this bill is all about. This bill is dealing with ratification of the Anti- Inflation Board, and that's what I am going to try to keep my remarks to, I don't want to get into trouble with the Speaker. He's a fine gentleman and a good friend of mine and I want to keep on the good side of him because there may be a time when I may err and stray and I wanted to look back now and realize — the member for St. James, Mr. Speaker, is trying to lead me astray and I don't want to do that, so, I want to come back to the bill. As I said, Mr. Speaker, you know the honourable member for St. James has achieved his point, he's thrown me off track here. I'm glad that the honourable member apologizes.

As I said before, I have given this considerable thought. I just can't support this type of legislation. I think that if the federal government wants this legislation, it's their legislation, it's their plan. I can't say it was their campaign platform because that certainly was not. It was just something that was dreamt up in the . . . I guess in the cabinet room. I don't know if they even discussed it too much with their federal caucus. But anyway they got it through.

So how on one hand the federal government can say to the provinces of this country of ours as far as wage and price control is concerned for those in the private sector, you have nothing to do with it. We will take over that group of people. We will say that you have to abide by the rules and regulations of the Anti-inflation Board. We've got two sets of citizens in the work force. Those in the private sector . . . And you know, what we should have done and said to the federal government, especially the federal Minister of Labour when we had wage disputes — we had a wage dispute here at Griffin Steel — his was a private sector; these people were under the Anti-Inflation Board; the federal Minister of Labour should have been down here trying to settle those disputes. Because if we're responsible for those people under provincial jurisdiction when they are totally within the confines and boundaries of this province, and that as far as wage and price control is concerned if we have no say-so whatsoever when it comes to anti-inflation legislation, well then, do we have any say-so when it comes to diutes and wage stoppages? Oh no, no. He's not going to come and stick his nose in a hornet's nest like that. He's going to leave that with the provinces.

But when it comes to a thing that they have, they want to shoulder the blame and they have done so very well for those in the public sector and also for those in the private sector. Because those in the private sector have condemned us for going along with putting the people in the public sector under the Anti-Inflation Board even though they are themselves under that type of legislation. I don't think that the workers of Manitoba, be they in the private or the public sector, want to be sorted out and classified: you're a public employee, you're a private employee. I think those that work for the public in Manitoba . . . I don't look upon them as any different. They put their shoes on; they dress; they eat; they buy things the same as those in the private sector. And so if the legislation that the federal government introduced was good enough for the private sector and they could enforce that type of legislation which I disagree with with my whole heart . . . I disagree with that type of legislation.

If there was some way that we could make that type of mechanism work, if there was some way we could convey to the people of Canada that there was a dire emergency . . . But they didn't sell their program and they still haven't sold their program. Even the Chambers of Commerce are telling you; the Manufacturers Association are telling the federal government, "Get the hell out of this plan." That's what they're telling them. They're telling them to get out of this plan, and at this late date. And you know I might even be persuaded to just . . . No, I don't think I could, Mr. Speaker.

MR. MINAKER: Oh, go ahead.

MR. JENKINS: I don't think I even . . . If the First Minister got up and said as of January 1st we're going to opt out, but I think this government over on that side of the House is going to hang in there as long as the federal government is going to hang in there.

A MEMBER: . . . in on New Year's Eve.

MR. JENKINS: That's my prediction. I mean I may disagree with my leader and I think on that point I do have a serious disagreement with him, but it's an honest disagreement. That's more than what I can say for you people are sitting over there. There may be some of you that disagree with this marital law but I haven't heard one of you get up and say anything about it.

I'm sorry, Mr. Speaker, I'll come back to this piece of legislation. —(Interjection)— Yes, we'll be home for Christmas and I'm glad that you will be home for Christmas. I wish you a healthy and happy Christmas and the same for the New Year.

But as I said, Mr. Speaker, and I'm not going to drag this out any longer. As far as I'm concerned there is no way that I can, in this present bill, and at this late date in time, the Godfather is just going to go out. It's going to go out very shortly. And to those people in the public service, especially those in the Liquor Control Commission who were in negotiation before the AIB came in — fortunately they got their settlement after the AIB and the two rollbacks that they received at the hands of the administrator and the AIB are such that I, Mr. Speaker, unfortunately, have to inform this House cannot support this legislation and I intend to vote against it.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, thank you. I intend to take about eighteen minutes to speak on this bill. The reason is I have to be back to teach a class by 4:30. Considering that the Honourable House Leader has not yet brought in any bill to identify the indemnity we are about to receive, some of us are still forced to put bread on the table even though the legislative session is still in force. So I would prefer to wax longer and more eloquent than some other members of the House have on this particular item because while it is a bill that appears to have a degree of almost automatic necessity to it, it does strike me certainly as a major reason for calling this session in the first place, but also because I think it should act as a point upon which we examine some of the issues that are facing this province in relation to the economic strategy that should be employed by a new government. And so to whatever degree this, as the Member for Inkster described it this morning as the fragile, delicate representative of that unspoken minority has to say, I would like to offer a few words.

I would begin first by disputing almost everything that the Member for Logan had to offer because I don't think he was either dealing with fact but much more in the area of what I would call trade union fiction about the importance of the Anti-Inflation Board. The unions of this country, along with many of the large corporations, I think have been in a serious act of myopia for the last two and a half years, that they have consistently and continually tried to portray their stands against the Anti-Inflation Program as something that was defending the interests of the little man.

Well, Mr. Speaker, that of course is sheer hogwash. They were defending the interest of a highly organized group of people with a great deal of power in society who simply were in a position to get more for themselves and let the rest take the hindmost. And to try to portray themselves as the defenders of the little man I think really has been an act of very serious misrepresentation. Because the fact of the matter is, Mr. Speaker, if you talk to the unorganized people of Canada, if you talk to the little people of Canada, whoever they may be. I happen to know that the trade unionist describe them as little. I presume they mean non-union. They have been enthusiastically, fervently in support of an anti-inflation program because they have seen it as the only possible way to protect themselves against the ravages of double digit inflation that hit this country in the beginning of 1973 and was galloping by 1975 into a ferocious pace where most people on low or moderate incomes without the protection of organized unions were suffering serious hardships as a result.

So I think for representatives who are close to the union movement to try to pretend that they were doing anything more than defending their self-interest is an act of misrepresentation and we should treat it as such. We should not try to pretend that somehow the anti-inflation program was something that was imposed by a small minority and was universally unpopular. That is simply not true because almost every opinion survey that has been done when they asked a cross-section of Canadians and a cross-section of Manitobans whether in fact they not only were in favour of the anti-inflation program but whether they would like to see it continue, they usually would respond in the overwhelming majority "Yes". And the reason is very clear, Mr. Speaker, that the economic position of this country in relation to wages and salaries and productivity had in a period from the late 1960s turned into one of the best records in the world to one of the worst.

I simply would like to read into the record a report from the Science Council which is a relatively objective body and doesn't have any particular partisan points to make, and I quote from a report by the executive director J.J. Shepherd on March 21st, 1977, a report issued by the Science Council which states that labour rates in Canada have moved from a level 20 percent lower in the United States in 1964 to six percent higher by the fourth quarter of 1975. Productivity is still substantially lower in the United States, indeed perhaps the only remaining edge we have is marginally lower cost of energy, which has since been wiped out.

I would also ask you to bear in mind that this loss of competitive industrial edge is generally expressed in relation to the United States which is itself losing ground dramatically in the face of Japanese and German competition.

So on grounds alone, Mr. Speaker, the rate of salaries being paid in this country had really exceeded a point where we were no longer able to sell our goods. And that same report from the

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Science Council indicates the percentage of exports in the manufacturing field of this country accounted for dropped dramatically from the 196#%]□ 1970# Where at one time we produced and sold about 15 percent of the export field of manufacturing, it went down to six or seven. And one of the primary reasons is we were simply pricing ourselves out of the market.

Now that has a very serious implication at home. It is not only that we are unable to produce and sell our goods. It also meant that the kinds of costs being encountered by the people in this country were also equally high. The Member for Logan and others who have spoken against this conveniently forget that in the periods of 1975-76 we were reaching stages of 14, 15, 18 percent inflation in some areas. The fact of the matter is it is now down around seven or eight percent. So to suggest that it hasn't worked is sheer nonsense.

Now they can look at all kinds of other reasons, but the fact of the matter is that the terminal changing point was the imposition of the anti-inflation program from a point where you had double digit inflation rating at 15 and 16 percent down to one where it is seven or eight percent. No one is totally happy with that but at least we're not suffering the same kind of ravages as we suffered before.

There is also a kind of fallacy that both the Member for Inkster, as I read his remarks, and the Member for Logan are trying to enunciate, and that is that it was a federal program. Of course the federal government took its actions, but if they would read their history more carefully they would understand that those actions were taken in consultation with the provinces, and that the premier of this province and that the Minister of Labour for this province and the Minister of Finance for this province were part of consultative federal-provincial agreements where the provinces agreed to go along with federal programs in those areas which were outside federal constitutional jurisdiction. It was not a matter of declaring an emergency under the BNA Act. The federal government requested in the areas of public service and rent control, which were under Section 92 clearly within the purview of the province of Manitoba, they asked for the co-operation and they received it from this province.

What they did not receive, Mr. Speaker, was the kind of legislative commitment that should have been necessary and which, at that time, some members may recall, our own party issued a statement saying that this is the wrong way to do it, that it should be a legislative matter, not a matter of Order-In-Council, and again that fact is conveniently forgotten. I am sure, Mr. Speaker, it would have received perhaps the unanimous approval of the House, but it would not have received the unanimous approval of the NDP caucus at the time. So the interest of the government of the day to go by Order-In-Council was to their own political convenience, not to the convenience of the people of the province of Manitoba, because under the second requirement the best form would have been to establish legislative commitment. And that, Mr. Speaker, might have even been a better way of doing it, because then we might have been able to design, in some ways, our own machinery, that if certain members of this House were concerned about losing their independence or their jurisdiction, then we could have set up our own monitoring agency, but this province didn't want to do that. We could have established our own rules of the game, such as the province of Saskatchewan did. But to suggest that somehow or other the province of Manitoba was seduced into a program, and that they went into it sort of unknowingly, that the federal government was undertaking these naughty actions, simply flies in the face of facts and of history. It would be unfortunate, Mr. Speaker, if those facts were not corrected.

MR. DOERN: What about price controls?

MR. AXWORTHY: Well, the fact of the matter is — the Member from Elmwood suggests, "What about price controls?" Again if he would read the latest report from the Bank of Canada he would find out that in fact the profit margins of most large companies, during the period of the Anti-Inflation Board, have been significantly reduced. And so to suggest somehow, again, this mythology that appears in the monthly journals of different trade unions, again it flies in the face of facts. I know that certain members, I guess of all sides of the House, never want to get confused by the facts, but it is useful from time to time to consider them, because it may have a bearing upon the rationality with which you treat an issue. Certainly to sort of put our heels in and now try to rewrite history really doesn't do us much service.

Mr. Speaker, the point of my standing is not to dwell on history as other members have, but perhaps more to consider what about the future, because it is indicated now that there will be a decontrol period, that there will be a transition period where we will revert back to collective bargaining arrangements, where the so-called market will be allowed to operate with less intervention than they previously experienced. Well, do you want to know something, Mr. Speaker, I am very worried about that. I am very concerned that we are going to go "cold turkey" into a decontrol period in this province, without any preparation, without any forethought, without any planning, so that all of a sudden, at some point in time, in the spring or summer of 1978, the residents of this province are going to wake up to find themselves with 20 or 30 percent increases in rent, to find themselves being faced with enormous increases and demands for wages, in both the private and public sectors, and that there will have been no anticipation or any way from doing it.

At that point, the alarm bells will ring and the alarms will go out and people will be shaking their heads in despair and wringing their hands in indignation saying, "My God, what are we going to do?" And the real reason why that would be happening would be because so far, certainly in the previous government and in the short life of the new government, I have seen absolutely no indication, no sign, no evidence, that anyone is doing any serious thinking about what to do when decontrols take place.

And as much as there is some degree of merit in the program announced by the new government in terms of restraint and cutting back budgets and everything else, that does not say anything at all in any way, shape or form about what to do when controls come off. That is not an economic program that takes that into account. And yet, Mr. Speaker, we know full well, we know what the statements of union leaders in the province are, they've said, in no uncertain terms, that they're going to go out and try to get back what they think they've lost over the past 2 ½ years. —(Interjection)— Well, whoever they may be. I think the faculty associations have been as guilty of those kinds of irresponsible statements as everyone else. And I've seen no economic Minister, Finance, First Minister, Consumer Affairs, whomever, make any statement about the intentions of this government in terms of where do we go next?

I think that as this building has been turned into one mass seminar for study, review, assessment, re-examination and re-calculation to the point where it probably rivals any university campus to the degree of reflection that's taking place, the fact of the matter seems to be some very obvious omissions in that review. And one of them certainly is, what is the province intending to do? It's not without some help or suggestion along the way, Mr. Speaker, I can recall — and I do it with some risk — recounting, I don't know how many times from this side of the House to the previous government, about what is this province going to do with the recommendations of the Woods Report. In 1975, a lot of money was spent in this province to develop what I think was a very good report by Dean Woods of McGill University, on what shall we do about labour relations in the public arena. A number of recommendations were made, some 30 or 40 recommendations, at last count, Mr. Speaker, I don't think any of them have been implemented. The previous government seemed to treat reading Dean Woods' report as simply interesting material, or book shelf adornments. They didn't treat it with a kind of seriousness, and yet Dean Woods, in that report, suggested that unless something very seriously was done to deal with the whole question of labour-industrial relations in the public service, that we could expect increasing turbulence and disruption in that area. He suggested, for example, the establishment of forms of consultative arrangements so that productivity goals could be established, so that budgets and resources could be allocated, so at least the public service associations themselves would understand what kind of cost factors the government itself was facing, and could work that out over a period of time, to come to some mutual agreement. Well, that's no big radical step. That doesn't undertake any major sort of extremism. It sounds to me like good common sense.

It simply means that, —(Interjection)— that's right, the bell's about to ring. It simply means, Mr. Speaker, that the requirement to undertake some kind of program in the field of the public service is necessary, but it should begin now. I mean, those controls are going to come off in four or five months.

The same thing can be said, Mr. Speaker, in other areas that are affected by control periods, rent control being a primary one. We're reviewing it, re-examining it, and yet we have none of the conditions that would be necessary to allow or enable one to take rent controls off, such as an increased supply of rental housing, or in any way being encouraged or induced. So we're going to be in a situation where, at some point or other, this government — according to its campaign promises, as indicated by the Minister now responsible for housing — will take rent controls off at the same time that we face a vacancy rate of less than one percent in the City of Winnipeg. And nothing is being done, so far, as we can see, to change that situation. So we're going to take rent controls off at a period when there is no market in housing, and somebody's going to say, "Well, we're going to allow the market to take care of price allocation." Well, how can you take care of it when there is no market?

So again, one has to question very seriously how far, and in what ways, is the present government going to go. And that, Mr. Speaker, is really the point of my remarks. It's not simply to go through some castigation of past sins of omission on the part of the previous government, they have already paid for those sins on October 11th. What I'm much more concerned about is what do we do next? It would seem to me that in the variety of considerations that we have heard announced from the government benches in the past week about all the things that they're looking at, it would seem to me they better start looking at what is probably one of the most important economic issues, and that is, in what ways are they going to make some effort to introduce restraint in the public service, salary claims, to what degree are they prepared to take actions that would enable us to maintain a reasonable rate of control in the rental fields, and to what degree are they prepared to work out — with their federal counterparts — various steps that could be taken and new mechanisms that should be set up to maintain decontrol.

That, I think Mr. Speaker, is a primary question that people in this province are going to raise. And I think if we don't have some answers very soon, then again, events will overtake us and we will be back in the old period where we've got galloping inflation again, and a lot of so-called little people are going to suffer.

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

MR. A. R. (Pete) ADAM: Thank you very much, Mr. Speaker. I rise to take part in the debate on Bill No. 2, and I want to say that I have had some concerns about the anti-inflation proposal by the federal government since its inception.

I, like my colleague from Logan, am not opposed to controls, however, I have always felt that they should be equitable. If we are to have controls on the one hand, that everything should be controlled — profits and wages as well. So I have been opposed right from the beginning and, in fact, a resolution was presented at one of our conventions, and I opposed it on the floor of the convention

because I felt at that time that the proposal that was coming forth from Ottawa wasn't a fair one. I did discuss it with some of my colleagues.

Before I begin though, Mr. Speaker, to get into my comments, I would like to say that it's kind of disappointing to see so many of the members on the government bench being unable to participate in the debate. It's unfortunate to see that the people that they represent have been disenfranchised at this particular session. However, we are the ones who will benefit by the decision that has been made by the leader of the Conservative Party to prevent any of his new members to get up and speak in this House. I am sure many of their constituents would be very, very pleased to hear what they have to say, especially at the first session they attend.

One of the things that concerned me, Mr. Speaker, was that this was definitely a federal program, and here the province was asked to bring the public servants under the wage and price controls, and one of the things that concerned me, among many other things, was that in the event that we did bring the public servants under the guidelines, and that there would be a rollback, in event that the government of Manitoba had negotiated an agreement with public employees and that there would be a rollback of wages. One of my concerns was, what happens if the workers do not accept this and they go on strike?

MR. ENNS: They go on strike, Peter.

MR. ADAM: They go on strike. What happens if the workers at the Misericordia Hospital or the Health Science Centre go on strike?

MR. ENNS: They go on strike,.

MR. ADAM: They're dissatisfied with the rollback, what does the province do? Do we put them in jail?

MR. ENNS: No, no.

MR. ADAM: Do we put them in jail, do we say, you work or else you go to jail? I suggest to you, Sir, that to me this was revolting, because I said, "Here is a federal program that will cover our public employees," and in event that we have a confrontation and that some of our employees refuse to go back to work in the final analysis, there are people that are going to suffer in the hospitals, there may be people who will die and we will be responsible, we will have to legislate them back to work. Now, I don't mind doing that, I don't mind doing that if I bring in the law. If I am responsible for bringing in that law I have no hesitation in legislating people back to work if it's in the best interest of the people of this province, but I certainly do not like to do that. I would not want to legislate people back to work if it's legislation that is not provincial, but rather, federal. So that is one of the things that did concern me at the outset when decisions were being made as to whether the province should enter into the wage and price controls.

Another area that concerned me was that the way this was going to be set up was that in the event — well it's always been that way I presume — when there are negotiations underway between unions and the employer, whether it be the province or whether it be a private employer, the agreements are always open to scrutiny. Everything is in the open. The press has got it, it's in the media and everybody has it. The same applies in regard to prices of grain and so on as far as the farmer is concerned. When it comes to profits, if there were going to be any profits, then that had to be discussed behind closed doors. If some corporation like Kraft (in fact they were overpricing consumers) any negotiations with the Wage and Price Control Administrator would all be conducted behind closed doors whereas the wages, the roll-backs, that was all open to the public. This to me was unfair. It wasn't proper. It was unjust. When negotiation agreements were made for a twelve percent increase and the Administrator rolled back these increases to eight percent, it was all public. What about the profits? That was all hidden. We still don't know. We still don't know what was going on behind these closed doors.

I was a little surprised at the Minister of Public Works standing up very very hurt that we should suggest that it wasn't necessary to have a short session and he got really upset about the whole thing and he said that we were responsible for this session. Well, I say that I'm not sure about that. I think that there could be other ways that this could be handled. I'm not sure and I want to tell the Minister of Public Works that I'm not sure whether we have to legislate this thing. —(Interjection)— This is a federal matter. They wanted the wage and price controls, not the province. —(Interjection)— Well we tried. They accepted the proposal from the Cabinet that an Order-In-Council was satisfactory. I'm not sure whether we have to accommodate them now. Perhaps we should. Perhaps we should just maybe tell them, "Well it's your baby, you accepted our proposal, it didn't work, so you come and fix it up". I'm not sure whether we should have this piece of legislation at all. —(Interjection)— I suggest, Sir, I believe the Barber Report on prices, as far back, well in the time of the honourable member for Morris — I believe it was back in 1967, correct me if I'm wrong — I'm sure he remembers the Barber Report on the price of implements that suggested that it wasn't wages that was causing the increase in the price of farm implements. In the days when I was selling tractors in 1951 and into the Sixties, that a tractor that sold for five to six thousand dollars back in 1951, there was less labour dollars in that tractor than a ten thousand or fifteen thousand dollar tractor that sold in the late Sixties. There was less wages, less labour dollars going into it — this is in the Barber Report — it is not my figures, I

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might not be perhaps zeroing in exactly on the figures, whether it was ten thousand or twelve thousand, but I say to you, gentlemen, that the Barber Report stated clearly that it was not labour's wages that was causing the increase in the price of implements. There were other factors involved.

Now I know the member for Morris, the Minister Without Portfolio will say, "Well everything is labour, it's all labour, the whole ten thousand dollars for a tractor is all labour" - that's what he will say. This is what the Barber Commission reported, I believe, back in 1967, so . . .

MR. SPEAKER: Order please. I would remind the member that he is talking about Bill No. 2 and ask him to stick to the subject matter.

MR. ADAM: Thank you, Mr. Speaker. I felt that in talking about the wage and price guidelines, that we are talking about the cost of goods and wages and the reason why the wage guidelines were brought in in the first place was to try and control increase in prices. I am trying to relate that to the fact that the . . .

MR. SPEAKER: May I remind the member that we are talking about an Act to ratify an agreement. The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Speaker, I am trying to talk about whether we should support that bill or not and I am trying to demonstrate that we shouldn't, by saying that it should have never been introduced in the first place and that we don't have to pass this bill at this session because according to the Barber Report and some of the reports we have heard here today by the Member for Fort Rouge, that wages to labour was not the cause of inflation.

I suggest to you, Sir, that the biggest contributors to inflation was the price of fuel which didn't come under the wage guidelines, bank interest rates which didn't come under the wage and price controls. I suggest to you that these are two of the biggest factors and the biggest causes for any inflation in our country.

Another thing that I want to bring to your attention is that food did not come under the wage and price controls; however, food was used to calculate the increase in costs or decrease. When the Member for Fort Rouge suggested that the double digit inflation had come down some 16 to 14 to 8 percent, and while he wasn't too happy with that, it was better than it was. I suggest to him that the reason that the inflation rates have come down is because in many cases the food prices have come down. However, this is small comfort to the consumer whenever they go shopping every month — and I know that because we do shopping too — you see month after month the same article up two or three cents. I remember we were buying peanut butter a couple of years ago for 67 cents for a little jar; today it is about \$1.08. It has doubled in price. It has doubled in price and everything is the same way. It doesn't matter whether you buy an automobile, a truck, it doesn't matter what you buy, a suit of clothes. Everything has gone up but the wages are held down. So it's small comfort to hear the federal government applaud itself for bringing down inflation from 14 percent to 8 percent. You ask any consumer and they won't believe you.

So, Mr. Speaker, I am sorry that you feel that I have taken a bit too much latitude. I thought that we were talking about the causes of inflation. I have listened to other speakers and I do not believe that I can support this legislation. Thank you very much.

MR. TOM BARROW (Flin Flon): I beg to move, seconded by the Member for Transcona, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. JORGENSEN: I wonder if you would call second reading of Bill No. 8.

GOVERNMENT BILLS - SECOND READING

BILL(NO. 8) - AN ACT TO AMEND THE SUMMARY CONVICTIONS ACT

MR. SPEAKER: On Bill (No. 8), An Act to amend The Summary Convictions Act, the Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne) presented Bill (No. 8) - An Act to amend The Summary Convictions Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, Sir, this bill provides that Section 468 of the Criminal Code does not apply to provincial offences. Section 468 of the code requires that the evidence of witnesses betaken by a court reporter or otherwise recorded. I am advised that the practice in our traffic courts for the past few years has been not to provide a court reporter. A transcript of the evidence taken on a trial in traffic court is requested so infrequently that it was deemed that the cost of providing a court reporter was considered and is still considered to be prohibitive.

This amendment is necessary because of a judgment delivered very recently within the past few weeks by His Honour Chief County Court Judge A. R. Philp in the case of Gaba versus the Queen in which Judge Philp held that Section 468 of the Criminal Code does apply to provincial offences in that Section 9 of The Summary Conviction Act states that Part 24 of the Criminal Code of Canada applies to provincial offences and Part 24 of the code provides that the evidence of witnesses shall be taken in accordance with the provisions of Section 468 of the code. In any event, the judgment of Chief County Court Judge Philp related to an appeal against a conviction and sentence under The Highway Traffic Act. Judge Philp held that since the Crown was unable to produce a transcript of the proceedings before the Provincial Judges Court, the Crown had failed to meet the requirement under Section 468 of the Criminal Code and allowed the appeal and quashed the conviction.

I would point out, Sir, that of the hundreds of contested traffic cases heard each month, very few are appealed but this decision will require that the Attorney-General's department provide court reporters in every traffic court in the province. This amendment will merely return the practice to what it had been prior to His Honour Judge Philp's judgment last Friday. When an appeal on conviction in traffic court is appealed, the County Court would require a new trial before another Provincial Court Judge with a court reporter in attendance. This provincial Court Judge with a Court Reporter in attendance, and this arrangement apparently hasn't worked out very well, under the previous government, until a judgment within the past few weeks. I should also point out, Sir, that arrangements are made from time to time, for a Court Reporter to be in attendance upon request of either Crown or Defence at anytime. In any case, in Traffic Court or By-Law Court, where it appears that a transcript of the evidence is likely to be required, special arrangements are made for a Court Reporter. I stress, Sir, that this amendment will not change the procedure that has been followed in Traffic Courts for some years, but merely permit the practice of not having a Court Reporter in attendance on all cases to continue. I don't think, Sir, that it is a controversial matter in any way, shape or form.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion?

MR. SPEAKER: 3The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, I wonder if the honourable minister would care to elaborate on the reason for making this legislation retroactive to day one, while he himself has spoken of retroactive legislation as being oppressive, whether he is not prepared to consider that legislation not to affect future rights of people and not disabuse them or deny them rights which apparently a judge has found that they've had until now.

MR. MERCIER: Sir, I am prepared to consider that further, but the concern is that there could very well be a number of appeals within very short time related to very recent Traffic Court convictions in which court reporters have not been in attendance. Perhaps there could be, if it's a specific date referred to that might be something like November 1st, and I am prepared to consider that matter further with officials of the department and advise the Honourable Member for St. Johns, if he so wishes.

MR. CHERNIACK: Mr. Speaker, just a supplementary to that. Then what the Honourable the Attorney-General is implying, I believe, is that he would still want the law to be retroactive to such a date that would deny anybody the right to appeal an existing conviction until the date when the time has elapsed. In other words, it will still be retroactive according to the Attorney-General. Is that correct?

MR. SPEAKER: Is it the pleasure of the House to adopt the motion?

MR. BARROW: I beg to move, seconded by the Member for Transcona, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: We'll move on to Bill No. 3. An Act to amend the Gift Tax Act. The Honourable Member for Brandon East.

BILL NO. 3 — GIFT TAX AND SUCCESSION DUTY ACTS (MANITOBA)

MR. EVANS: Thank you very much, Mr. Speaker. I would like to contribute to the debate in as short a time as I possibly can, on this very intriguing topic of the Gift Tax and Succession Duty Acts and the

impact that this type of tax, this type of duty has upon the economic health, the economic climate of the province of Manitoba. I have been perusing the Hansard of Friday November 25th in which the introductory remarks are provided by the Minister of Finance, the explanation for the particular action that the government proposes to take at this time, and I must say that upon very careful reading of very short introductory remarks, I find the arguments to be rather vague and indeed the arguments presented in favour of this particular bill, Bill No. 3, the arguments to be rather questionable.

As I read very carefully, the honourable minister's remarks, he at least two major reasons. The first relates to the fact that there may be a movement of investment capital out of the province, and of course, Mr. Speaker, as you are aware, in the last day or two there has been some questioning and some debate in this House as to exactly what has been the impact of these particular succession duties that we have experienced in the last few years in Manitoba. The minister stated, on page 29 and through to page 30, "It does though, Mr. Speaker," talking about the Succession Duty Act, "It does though, Mr. Speaker, have a substantial effect in helping to create the mood" — this would be the removal of the Act — "It does help in creating, in helping to create the mood or the environment in Manitoba which we want to create to try and spur the private sector into a more active participation in this province and its growth in the future." So I suppose there is a psychological objective here that is being stated, a particular mood of confidence that the minister would like to achieve in the private sector, and I suppose that could be listed as one particular objective in this particular mood. But I question, Mr. Speaker, to what extent that the right psychology will be created by this particular move because we are talking about a very small number of people, two percent or so of those families or estates that have been affected, of all the families or all the estates that have been processed in a particular year, according to the budget statistics, only two percent or one out of fifty leave estates which were, or which have been subject to any succession duties, and in fact, according to the 1977 budget address, in fact, and I am quoting from page 16 of the budget address of this year, "In fact since 1972 the number of taxable estates has averaged well under two hundred a year in Manitoba" and I think last year it was something in the order of 148 estates.

Going on in my quotation on page 16 of the budget address, "The statistics also show that by far the largest proportion of revenue derived from the largest estates, the vast majority of small estates are exempt or generate a minimal tax liability." So I am wondering just what group, what significant group of people we are talking about here, what significant group in our society that we are affecting when we talk about trying to create the proper psychology.

The other point the minister made is that, in saying and arguing, that there could be a driving of investment capital out of Manitoba. The Minister goes on in his remarks page 30 of Hansard, Friday November 25th to state, Mr. Speaker, "It is difficult to assess in any formal way the impact this legislation has had in the past on driving investment capital out of Manitoba. It is difficult to say because there are no direct ways by which a government can get and develop actual figures." And I must give full marks, full credit to the Minister of Finance for being very candid about this particular matter, because it is very true, that it is almost impossible at the present time to calculate or to give any type of reliable estimate of any out flow of capital.

A MEMBER: The Minister of Commerce can.

MR. EVANS: At the very best you can come up with a guess but I am afraid that the reliability of that guess is so weak that you can drive a Well, not only on the kind of researchers but it depends on the kind, Mr. Speaker, it depends upon the kind of data that the researchers have to work with, and I think we have some very fine people in the Department of Industry and Commerce, but when they are asked to do the impossible, when they are asked to do the impossible, because there are — (Interjection) — well, some of them have been here a long time too, more than eight years I must say. In fact, most of the senior people have been here many years. They are very fine people. That is why they stayed. But this particular, as I said, this particular estimate has got to be of the Mickey Mouse variety, because there isn't the basis, the statistical basis with which to obtain any reliable estimate and I, therefore, give full marks, full credit to the Minister of Finance for stating that quite clearly and candidly in introducing this particular legislation.

The other point that he makes in his remarks, the minister makes, is the argument of Manitoba remaining competitive, and again I am quoting from Hansard page 30 of Friday November 25th, "The principal reason, as I said, is that Manitoba must remain competitive in the total tax picture. This has been a self-defeating tax", and then he goes on to talk about the other provinces and so on, and that it is very necessary for Manitoba to be able to compete with the other provinces.

Mr. Speaker, with all due respect, I am afraid Manitoba will always have a very difficult time in competing with our sister prairie province of Alberta in particular simply because of the fact that that province to the west of us has been blest with bountiful natural resources, bountiful resources of petroleum for which, incidentally, Manitobans are paying more and more for each year as the years go by and in affect we are being bled to death, almost, and have been bled to death almost in the past year or two, since the federal government in cooperation particularly with the oil producing provinces, Alberta in particular, have allowed the price of petroleum and natural gas to rise exorbitantly, and I certainly hope that the Minister of Finance, who is in Ottawa today, I understand, has more success than I had in persuading the federal government to cease and desist its zombie-like march forward in allowing the price of oil and gas to go up. But the fact is, that Manitobans are paying tens upon tens of millions of dollars each year, more, to the province of Alberta because of the rise in

petroleum. Even though it cost, little if any additional cost to take that oil or natural gas out of the ground. I can grant them any inflationary costs of production, fine, we are prepared to pay for that, but what we are paying for is world prices, or near world prices, inflationary prices for old oil and old gas and this is very sad because it is causing the standard of living in Manitoba to be less than what it could be otherwise.

But at any rate, the point is that these millions of dollars are flooding into the province of Alberta today and I would say that no matter what we do in this province, in the way of tax adjustments, Alberta can do us one better. Not one better, but many times better, and I am sorry to say that, but that is the fact, the reality of it. Incidentally, Mr. Speaker, not only has Alberta so much money, but they, according to the statistics published by the Statistics Canada, have the greatest proportion of provincial civil servants of any province in Canada. Of the ten provinces in Canada, if my memory has not failed me, according to Statistics Canada, the province which has the greatest number of civil servants per thousand is the province of Alberta.

MR. SPEAKER: Order, order, please. Can the minister tell me how he relates that to the Gift Tax Act? We are talking about the Gift Tax Act.

MR. EVANS: Mr. Speaker, that was a footnote to explain how rich Alberta was and since Alberta was so rich, I am saying, I am suggesting, Mr. Speaker, that it is very difficult, if not impossible, for Manitoba through any tax changes or modifications, including this particular tax, the Gift Tax Act or The Succession Act, it is very difficult to compete with the province of Alberta, because they can always out do us, I am very, very sorry to say. As a good citizen of Manitoba who wants to see this province, as all of us want to see this province grow and prosper. I'm sorry to say that that is a reality. You talk about being competitive. I'm afraid we just cannot compete with Alberta. In fact, there are one or two other provinces we would have difficulty in competing in terms of tax adjustments downward, so as to attract industry, or so as to retain capital supply within the province. Ontario is another good example. Our neighbor to the east.

But what I'm concerned about, Mr. Speaker, in this particular bill, in this particular measure to eliminate this tax, is that not only will it have no positive effect, and I cannot see any evidence that there will be a positive effect on our economic growth, but in fact it could have the reverse effect because given the determination of the present government to balance the books, and as I understand their interpretation, by balancing the budget they're including both capital and current and that is a very formidable task. To come up with a balanced budget, where your expenditures equal your revenues, and if you're including in your expenditures long-run or capital expenditures, as well as the short-run or current, you have a very difficult task indeed but the fact is that that is given as an objective.

I say that this government needs every dollar it can possibly get its hands on in order to try to meet that objective. But nevertheless, the fact is that they're prepared to give away, in effect, \$5 million worth of tax revenue, and the sad part of it, from my point of view, Mr. Speaker, is that trying to maintain a balanced budget means, given everything else we have to contend with, means that there are probably going to have to be some very serious cutbacks in some very worthwhile programs. And, therefore, if you take \$5 million dollars away from some very good programs, that has employment features to it, such as the Home Care program, then there is that less of a stimulus in the economy.

Now, my understanding from newspaper reports is that the Department of Health has frozen the case load that the Home Care program can take on. In other words, the Department of Health cannot take on any further cases for Home Care unless there are some vacancies, if that's the correct expression — home care, I mean, caring for not only the elderly and the disabled, but anyone who's out of the hospital who needs some licensed practical nurse, or some homemaker to come in and do whatever to help that person remain in their home, rather than to have them live in an institution. Certainly it's a lot cheaper for the taxpayers to have those people who need some of this kind of help, it's certainly much cheaper to have them in their own homes than to have them in institutions, whether they be hospitals or nursing homes. It's far more economical from the taxpayers point of view to do this. And of course, it's also much more humane to allow a person to stay in his or her own home rather than in an institution. This goes without saying.

But the fact is, on the one hand the Minister of Health and newspaper reports indicate that there is a freezing, there will not be any additions allowed in this program. So even though there may be a growing number of elderly people among us who may need this kind of help, at the present time at least, this help is not forthcoming because we must balance the budget and yet at the same time, we're prepared to give 5 million dollars away to people who really do not need this particular money. Not only that, people who obtained this money, we have no guarantee that they will be spending it in the province of Manitoba or that these funds in any way will find their way into investment channels. They could be put into savings institutions, and go whatever way those savings institutions may wish to distribute them, but there is no guarantee that even if they had the funds, that those funds would be invested to create jobs in the province of Manitoba. So I say, not only does this have no positive effect, but it could have the reverse effect. There could be an adverse effect, since it will limit the ability of the government to carry out programs, assuming it wants to maintain or obtain a balance budget.

This brings me to the point, to the question: "Well, how can we help the economy, or what tax

change, if any, can affect the economy if this particular one does not?" And I'd like to suggest, Mr. Speaker, if the honourable members opposite are really interested in creating the right psychological climate, if they're really interested in creating confidence in the business sector, the best way to do that is to stimulate demand because there's nothing that will give a businessman more confidence than to see his goods and services being sought after, being sold. Nothing will give a storekeeper more confidence than to see his merchandise being sold. Nothing will give an owner of a factory more confidence to see new orders coming in at an accelerating rate. And that is how you're going to create a confidence psychology among the business community. Not in this minor, I call it minor, it's still a lot of money, but it's minor in the total spectrum of things, because we've got a budget over \$1,000 million dollars.⁸ But if you want to

create this psychology that the Minister of Finance talks about and if you want to cut taxes, you can consider increasing the property tax rebates, particularly the progressive portion of them, that is the portion that goes to those on lower incomes, namely the senior citizens, and families that have incomes in the order of, well certainly less than \$15,000 or less than \$12,000 per year. Because in giving monies back through the property tax rebate system on this progressive basis, or indeed cutting back on the income tax, giving an income tax break to those under \$15,000, you are going to stimulate consumption to some degree. You will stimulate demand far greater than you would among those people who would be the recipient of the \$5 million succession duties, or gift tax moneys because these people who are under \$15,000 per annum incomes have a much higher propensity to spend the money that they have. That's easily understood because being much poorer than those who can receive succession duty monies, they are forced to spend more, they are not in a position to save as much, and in effect you will have a greater multiplier effect. There's absolutely no question about it. All economists are agreed. They say there's always disagreement among economists, but there isn't on this one point at least, that people on lower incomes have a greater propensity to consume, have a greater marginal propensity to buy, to demand than those in the higher income brackets and therefore, you will have a greater multiplier effect in the local economy, in the provincial economy. So, if you really want to stimulate the economy, and provide the psychology that the Minister of Finance talked of in his introductory remarks, I suggest the government seriously consider giving a tax break to those people under \$15,000 dollars, whichever way they want to do that.

But I'd like to go back a moment and relate the principle behind the tax that we're talking about this afternoon. The principle, and perhaps the best way is to quote again from the budget address of 1977, page 16, where I read: "The principle behind the tax is not difficult to explain" — behind this inheritance tax. "Why should people who do not earn but just inherit large sums pay no tax; at the same time as people who earn income pay taxes at normal rates." In other words, the irony of it all is that the government is suggesting that those people who just simply inherit a large amount of money or receive a large gift, a very substantial gift, and it has to be substantial to be taxable, because there are high levels of exemption that those people who have windfall gains, in effect pay no money whatsoever, yet the man or the woman who goes out into the world of work, whether he be a farmer or whether he be a factory worker, an office worker, a professional blue-collar worker, or whoever, that the person who goes out and works and earns an income, must pay taxes at whatever normal tax rate is in existence. So why should people who do not earn, but by just large inheritance, large sums of money, pay no tax while at the same time people who earn money, who work to earn income, have to pay taxes on their labor, on their efforts?

You know, it is interesting that a former Premier of this province, the Honourable Walter Weir, takes the same position as I'm taking. —(Interjection)— Well, I have to be careful but I'm reading, as I was saying to the members, from the budget address of 1977. It says here and I quote: "Insofar as the plight of capital is concerned, it is true that some wealthy people have sought tax havens elsewhere, but that has always been the case. Retirement on a tropical island with no taxes has always been an option for the few people who can afford it and setting up complicated legal arrangements has sometimes worked in the past too, but not always. And the simple fact," and I'm quoting, Mr. Speaker, "the simple fact is that to get involved in the kind of tax competition which has been suggested to stop such maneuvering is self-defeating."

And even the former premier of Manitoba, the Honourable Walter Weir, acknowledged this in 1969, when he stated in a debate on estate tax rebates, and now I'm quoting from the Former Conservative Premier of Manitoba, the Honourable Walter Weir, and he said this on March 7, 1969, and it's quoted from Hansard, page 173. Mr. Weir says: "I am not a believer in what I believe is almost false incentive in the location of capital in different jurisdictions in Canada, as it now exists." I'll repeat that, "I'm not a believer in what I believe is almost false incentive in the location of capital in different jurisdictions in Canada, as it now exists." So here you have a former Conservative Premier who recognizes, as I do, that this is not a true incentive. And I would only hope that the present Minister of Finance, and the present government, will rethink their particular position in this manner, and perhaps consult with their colleague, the Honourable Mr. Weir.

I agree with the sentiment expressed by Mr. Weir. As a matter of fact, I go so far as to say perhaps the federal government should get back into the estate tax field because I think this is a fairer way of doing it: allow the federal government, or not allow the federal government, but to encourage the federal government to get back in and then to have the federal government redistribute these monies back to the provinces on some form of equitable basis. And I think that, Sir, would eliminate a lot of this competition that seems to be brewing among the provinces in this area of taxation.

I was saying a few minutes ago that I disagree with the Minister of Finance's assertion that this is a stimulus to the economy, and I suggested that one way of stimulating the economy is to enhance the demand of the average consumers in Manitoba, and I suggested those under 15,000 be given something of a tax break.

I'd also ask the government to reconsider the job creation program which we started, and I know there's often a rather uncomplimentary phrase used in describing job creation programs, and that uncomplimentary phrase is: "make work programs." Well, Mr. Speaker, I suppose in some ways that work is work that is sought after, is searched for in order to employ people; but I say as long as the work that those people are involved in is an activity, an expenditure of energy that is going to provide a good or service that is of some use to the community, or to the province, to the society, then there is some value in the expenditure of money in that way. What is wrong, Mr. Speaker, with the man or woman being employed by a municipality to engage in some worthwhile project that that municipality would like to undertake? I recall back a few years ago, when we first started the PEP program, the provincial employment program, in my own community of Brandon, where a number of very worthwhile programs were undertaken as the city couldn't afford to. One was, just as a matter of interest, Mr. Speaker, or just as an example, was providing street signs. Brandon was notorious for not having sufficient street signs. I just use this as one example. They didn't have the money at that point, but they said: "My golly, here's some additional money. We can hire people, a couple of fellows to work throughout the winter months to make these metallic street signs and so on." And as a result, today Brandon has a far better street sign system than they ever had before.

I'm sure that the Honourable Mr. Speaker and other honourable members of the House can relate stories of municipalities within their constituencies who received such monies and consequently put people to work. Putting them to work, I think, whether it be in Russell, or in Birtle, or in Swan River — we have the former mayor, or current mayor of Swan River — these people here, the member for Roblin, and many others, can vouch for the fact that under the job creation program that used to be called PEP, but this summer we called it the job creation program, many worthwhile activities were engaged in. The first people who were eligible were those who were on welfare, and then the second category of eligibility were those who were unemployed for at least thirty days' and registered at Canada Manpower office. The fact is we were dealing mainly with legitimately unemployed people, and they were given useful tasks to do.

This is true also for the community clubs. We had announced this summer that we were going to carry on this winter, and we were going to include other categories: work in institutions, particularly hospitals and personal care homes, not only for maintenance of those buildings but also for caring for some of the people who live there, whether there is a need for additional staffing to look after the elderly or the disabled or what have you.

We had a special youth employment component. We had other components as well, and I think that by and large, this, I reiterate, that this is — oh yes, we had the small business component, which incidentally received favorable comment by many members of the business community.

And, I think that in this way, we can achieve what the Minister of Finance said he wanted to achieve in effect, in this particular measure, in this particular bill, that by spending money very directly on direct employment projects, we know that we are creating jobs. If those people are repairing community clubs, or working for municipalities, or looking after the elderly, the disabled in nursing homes, or whatever, I say that there is direct evidence therefore of people being engaged in useful work, and that in turn these monies, these wages that are earned by these people, will have a beneficial impact on the Manitoba economy, far better than any elimination of a succession duty or gift tax.

I want to go on to say also, Mr. Speaker, that we talk as though the tax system in the province is the major factor in the health of industry in this province, that it is the major factor that affects the rate of economic development, that it is the major factor, or a major factor, in the total economic spectrum. But the reality of it is, Mr. Speaker, that the provincial government, any provincial government in this good confederation of ours, is very limited in what it can do through the tax system, in my view at least, to affect the levels of employment. We're not an island unto ourselves. We are affected in Manitoba by the economic winds of change as they sweep across the nation, as indeed they sweep across the western world. And if there's a major economic recession brewing in Canada, I don't see how the province of Manitoba for any length of time can isolate itself from this, no matter what we do with the taxes — and particularly as I said earlier I disagree with the Minister of Finance when he referred to the competitive area here. I don't think that we can be competitive in the total tax picture because we don't have the ability, we don't have the resources to be competitive.

So we are not an island unto ourselves, and the fact is that what happens to the provincial economy is going to depend on a lot of things, not only the business cycle that exists within the national economy, where we are in the national business cycle, it's going to depend on what happens to the value of the Canadian dollar. This has a great bearing. If the value of the Canadian dollar drops, it certainly stimulates exports, but at the same time it will cause the importation of goods to be more expensive and therefore unfortunately enhance domestic inflation.

But what happens to Manitoba in the long run? We're talking about long-run jobs; I know the government is interested in long-run employment, so am I, so is the opposition.

We have to look at how we may get a better break in terms of railway freight rates. You know, this is something that we've talked of for a long time. I'm pleased to note that my honourable friend, the Minister of Public Works agrees with me. Long-term efforts, and I might add, Mr. Speaker, if I might as a footnote, that we have had considerable co-operation with the provinces of Alberta and

Saskatchewan over the many years in trying to get a better break for the prairie regions in terms of adjustment of freight rates so that our manufacturers can be more competitive with the manufacturers from central Canada: the Golden Horseshoe, the Toronto-Oshawa, Hamilton area, Montreal, and so on, because the fact is you can show case after case where our manufacturers are at a disadvantage, but I don't want to bore you with that because that's a topic all in itself. Thank you, Mr. Speaker.

So I mentioned freight rates . . . there are commercial tariffs, the Canadian national tariff, and incidentally, this is a subject that is of great interest now to us, or should be, because the agreement on the GATT, the general agreement on tariffs and trade is now under discussion. Canada is in discussion with its partners. Manitoba has taken a position on this along with other western provinces. That has a bearing on our long-term economic situation.

And I also maintain . . . what happens within the modern corporation? The phenomenon of the modern corporation has been very detrimental to regions such as Manitoba because what's good for the modern corporation isn't always good for the region, and the classic example is what happened in Morden, Manitoba: Canadian Tanners closing down the little tannery there in Morden, and I will never forget, Mr. Speaker, the president coming to see me shortly after we were elected, apologizing for having to close it. He said he was going to close it a year before, but he was persuaded by the then Minister of Industry to keep it going for at least one more year to give it a chance. And he said: "We did do this, but we're still not happy." I said "Well, how much money are you losing?" and he said: "Well, I'm not losing any money. My accountants say we're not losing any money at this plant in Morden, but they also tell me we can make even more money by concentrating in Hamilton." So, who could fault him? His mandate is to maximize his profit, so I do not criticize the president of Canadian Tanners Ltd. That's his mandate, he does what's right for Canadian Tanners, but I say what's good for Canadian Tanners, is that these large corporations isn't necessarily good for a particular region.

The brewery industry is another good example, where you see over the last few decades a consolidation of brewing into fewer and fewer breweries. Instead of half a dozen or more in the city of Winnipeg, or a dozen or more in the city of Winnipeg, we only three or four now. We used to have one in Brandon, there is none now. I don't think the city of Ottawa has a brewery. The fact is that there has been this consolidation because of the policies of the modern corporations.

Mr. Speaker, I would like to ask a question, is my time up at 5:30, or do I have time beyond?

MR. SPEAKER: No, you have two minutes.

MR. EVANS: Two minutes after 5:30? Okay. Well I will try to conclude then, Mr. Speaker, if I may, in two minutes by saying that the fact is that if we're talking about investment funds, the bulk of the investment funds for new industries do not come from the people who are obtaining succession duties. The last few months we've seen the establishment of Winpak Industries, a Finnish-owned company manufacturing plastic goods; Tan Jay has expanded; GWG has set up a plant, the Edmonton-based company has set up a plant in Winnipeg, Speiry Univac, and so on. The capital required for these companies did not come from these estates. They came from within the corporations; they came from outside of Manitoba. So I'm suggesting, Mr. Speaker, that this Gift Tax Act is not detrimental to the level of investment that we would like to see in Manitoba. If it was, I might take a different position.

MR. SPEAKER: Order, order please. The hour now being 5:30, the honourable member has two minutes left after — unless you want him to finish now.

MR. JORGENSEN: Mr. Speaker, I wonder if the honourable member would be disposed to complete his remarks now, so . . .

MR. SPEAKER: The hour being 5:30, I'm leaving this Chair to return at 8:00.