



Second Session — Thirty-First Legislature  
of the  
**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

26 Elizabeth II

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Speaker*



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**10:00 a.m. Friday, June 16, 1978**

# Manitoba Legislative Assembly

## Thirty-First Legislature

### Members, Constituencies and Political Affiliation

<i>Name</i>	<i>Constituency</i>	<i>Political Affiliation</i>
<b>ADAM, A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANDERSON, Robert (Bob)</b>	Springfield	P.C.
<b>AXWORTHY, Lloyd</b>	Fort Rouge	Lib.
<b>BANMAN, Robert, Hon.</b>	La Verendrye	P.C.
<b>BARROW, Thomas A.</b>	Flin Flon	NDP
<b>BLAKE, David R.</b>	Minnedosa	P.C.
<b>BOSTROM, Harvey</b>	Rupertsland	NDP
<b>BOYCE, J.R. (Bud)</b>	Winnipeg Centre	NDP
<b>BROWN, Arnold</b>	Rhineland	P.C.
<b>CHERNIACK, Saul M., Q.C.</b>	St. Johns	NDP
<b>CORRIN, Brian</b>	Wellington	NDP
<b>COSENS, Keith A., Hon.</b>	Gimli	P.C.
<b>COWAN, Jay</b>	Churchill	NDP
<b>CRAIK, Donald W., Hon.</b>	Riel	P.C.
<b>DESJARDINS, Laurent L.</b>	St. Boniface	NDP
<b>DOERN, Russell J.</b>	Elmwood	NDP
<b>DOMINO, Len</b>	St. Matthews	P.C.
<b>DOWNEY, James E., Hon.</b>	Arthur	P.C.
<b>DRIEDGER, Albert</b>	Emerson	P.C.
<b>EINARSON, Henry</b>	Rock Lake	P.C.
<b>ENNS, Harry J., Hon.</b>	Lakeside	P.C.
<b>EVANS, Leonard S.</b>	Brandon East	NDP
<b>FERGUSON, James R.</b>	Gladstone	P.C.
<b>FOX, Peter</b>	Kildonan	NDP
<b>GALBRAITH, James</b>	Dauphin	P.C.
<b>GOURLAY, Douglas</b>	Swan River	P.C.
<b>GRAHAM, Harry E., Hon.</b>	Birtle-Russell	P.C.
<b>GREEN, Sidney, Q.C.</b>	Inkster	NDP
<b>HANUSCHAK, Ben</b>	Burrows	NDP
<b>HYDE, Lloyd G.</b>	Portage la Prairie	P.C.
<b>JENKINS, William W.</b>	Logan	NDP
<b>JOHNSTON, J. Frank, Hon.</b>	Sturgeon Creek	P.C.
<b>JORGENSEN, Warner H., Hon.</b>	Morris	P.C.
<b>KOVNATS, Abe</b>	Radisson	P.C.
<b>LYON, Sterling R., Q.C., Hon.</b>	Charleswood	P.C.
<b>MacMASTER, Ken, Hon.</b>	Thompson	P.C.
<b>McBRYDE, Ronald</b>	The Pas	NDP
<b>McGILL, Edward R., Hon.</b>	Brandon West	P.C.
<b>McGREGOR, Morris</b>	Virden	P.C.
<b>McKENZIE, J. Wally</b>	Roblin	P.C.
<b>MALINOWSKI, Donald</b>	Point Douglas	NDP
<b>MERCIER, Gerald W.J., Q.C., Hon.</b>	Osborne	P.C.
<b>MILLER, Saul A.</b>	Seven Oaks	NDP
<b>MINAKER, George</b>	St. James	P.C.
<b>ORCHARD, Donald W.</b>	Pembina	P.C.
<b>PARASIUK, Wilson</b>	Transcona	NDP
<b>PAWLEY, Howard, Q.C.</b>	Selkirk	NDP
<b>PRICE, Norma Hon.</b>	Assiniboia	P.C.
<b>RANSOM, Brian, Hon.</b>	Souris-Killarney	P.C.
<b>SCHREYER, Edward R.</b>	Rossmere	NDP
<b>SHERMAN, Louis R., Hon. (Bud)</b>	Fort Garry	P.C.
<b>SPIVAK, Sidney, Q.C., Hon.</b>	River Heights	P.C.
<b>STEEN, Warren</b>	Crescentwood	P.C.
<b>URUSKI, Billie</b>	St. George	NDP
<b>USKIW, Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, D. James</b>	St. Vital	NDP
<b>WILSON, Robert G.</b>	Wolseley	P.C.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 16, 1978

Time: 10:00 a.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Before we proceed, I should like to draw the honourable members' attention to the gallery where we have 59 students of Grade 6 standing under the direction of Mrs. Smith. This school, Princess Margaret School, is located in the constituency of the Honourable Leader of the Opposition. On behalf of all the members here, we welcome you here this morning.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister responsible for Housing.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I would like to table a report. I have the copies for the House. Mr. Speaker this is a statement regarding the Manitoba Home Ownership Assistance Program. I am pleased to announce a new mortgage subsidy program to assist lower income families to build their own homes or purchase new homes. The new program will be initiated in Inkster Gardens, the new north-west Winnipeg subdivision developed by Manitoba Housing and Renewal Corporation.

The new program will be open to families with incomes below \$18,000 per year and will provide interest free second mortgage loans up to \$5,000 to qualifying families.

To qualify the family must have at least one child. The exact amount of assistance available being determined by income. Examples: Families with maximum qualifying incomes of \$18,000 will be eligible for a second mortgage loan of \$3,000.00. Families with incomes of \$14,000 or less will qualify for a maximum loan of \$5,000.00.

Home purchasers will be required to provide a minimum of 5 percent down payments towards the full cost of land and house and must secure first mortgage approval from normal lending sources for the balance of the financing required less the amount of the second mortgage loan eligibility.

The second mortgage loan will not be approved if the amount of that loan is not sufficient to reduce payments on the conventional first mortgage to below 30 percent of the family's income.

The second mortgage loan will be interest free until such time as the conventional first mortgage loan has been repaid up to 35 years. Interest at the then prevailing mortgage rate will be charged from that point on on any outstanding second mortgage loan amount.

The second mortgage loan becomes immediately repayable at the time of the sale of a home unless the subsequent purchaser qualifies and is approved by MHRC, in which case the loan may be transferred.

Repayments of the second mortgage loan will begin when the monthly payments of the first mortgage requires less than 7 to 27.5 of the family income. This calculation will be made every five years at a time that the first mortgage is renewed. The repayment schedule will then require monthly payments equal to the difference between the monthly first mortgage payment and 27.5 of the family income.

Borrowers will not be permitted to accelerate their first mortgage amortization schedule by increasing monthly payments at the time of the mortgage renewal until the principle outstanding on the second mortgage loan has been repayed.

The intent of the Manitoba Home Ownership Assistance Program is to make ownership available to a broader income group and to encourage construction of moderately priced homes. The program will be introduced on a limited scale for up to 100 homes in Inkster Gardens, which will enable us to monitor its effectiveness in meeting the program objectives. The program will be financed initially through the revenue surplus that is expected to be generated from the sale of Inkster Garden

lots at market value. The program will be expanded throughout the province as soon as our experience in Inkster Gardens and the proceeds from the sale of the building sites permit.

Application for assistance under the program will be available for Manitoba Housing and Renewal Corporation to individual purchasers of lots and from builders' representatives in the Inkster Gardens subdivision.

Mr. Speaker, the second part of the announcement, or statement:

Marketing of Inkster Garden lots. Residential building lots in the Manitoba Housing and Renewal Corporation's 120-acre subdivision in north Winnipeg will be placed on sale this weekend.

The selling price of lots in Inkster Gardens, located north of Inkster Boulevard between King Edward and Keewatin Streets, have been set to reflect market value. The revenue surplus will be utilized to finance the Manitoba Home Ownership Assistance Program of interest free second mortgages which will enable lower income households to purchase and build new homes.

The decision to sell the lots at market value was made in order to ensure that the financial benefits accruing from this land development project would be available on a continuing basis to low income families.

In order to ensure that individuals have an opportunity to select and purchase lots in the subdivision the sale of lots will be handled in two stages over the next two weeks. In the first stage a number of lots, zoned R1 and R2, will be available for the exclusive purchase of individuals.

Applications for the purchase of these lots by individuals must be made to Manitoba Housing and Renewal Corporation by 2:00 p.m. June 27, 1978. A deposit of \$100 only will be required from the individual pending arrangements by the individual for financing.

Lots will be available to builders in blocks of up to 10 by means of a draw to take place on June 28, at 10:00 a.m. The draw will ensure that small builders will have an equal opportunity to obtain sufficient lots to meet their building plans.

Land zoned RPL will also be available for sale to builders participating in the draw on R1 lots on June 28th.

Lots available for sale in the first phase of Inkster Gardens will include 221 lots zoned R1 for single family detached dwellings, 35 lots zoned R2 for family semi-detached units, 8 parcels zoned RPL for multiple housing units.

The price of the lots will start at \$14,150 including underground hydro and telephone costs, as well as all services.

In addition to the lands now being made available for sale the development includes several parcels of multiple density building sites and provisions for large areas of open parklands. Inkster Gardens will be a mix of different kinds of residential areas with the emphasis on the creation of a development to encourage a high proportion of home ownership.

In order to ensure that high standards are adhered to controls relating to such matters as building exteriors, landscaping will be incorporated into the sales agreements and enforced. A committee of three, representing MHRC, participating builders and an architect will approve building plans. Lots will be advertised for sale in the Winnipeg papers on June 17th and 24th.

**MR. SPEAKER:** The Honourable Member for Seven Oaks.

**MR. SAUL A. MILLER:** Mr. Speaker, I thank the Honourable Minister for the statement. I have been waiting for it for some time.

Mr. Speaker, I think that the House should know that this proposal is possible because this land was acquired as part of the land banking program undertaken by the former government, starting in the fall of 1973. This particular piece of land is the first of the banked land which is now being made available and it indicates that in fact if the MHRC had been able to acquire land earlier than the last two months of 1973 the prices which MHRC could have made available to the general public and to small builders would have been even better than this.

As it stands, Mr. Speaker, I note that the lots will be sold at about \$14,150, which is an exceedingly good price compared to building lots around Winnipeg, but I notice that this is being sold at what they consider market value. So it is being sold at market value, the province is making money on it; they are making the profit and that profit would then be loaned to people in the form of a second mortgage.

Mr. Speaker, I wonder why they go through these machinations. Why isn't the land made available at cost? I'm not saying that the MHRC or the government should suffer any loss on it, but they should make it at cost, or a few percent above cost, and not have to go through the exercise of a second mortgage at all, on which interest would have to be paid after 35 years. Because what they are doing here is charging more for the lot, getting the money, and then lending it back to you as a second mortgage. I'm not quite sure what the purpose is. If their concern is that someone is going to come in and build a house and proceed to then sell it a year later and make a profit on it, I think they can still do it. But, in any case, there are ways and means of preventing

that as other jurisdictions have done without too much fuss or fanfare. So, Mr. Speaker, I welcome the fact that finally this land is being put on the market. I think it would have been ready about six months ago but, be it as it may, at least it's there now. I'm pleased to see the value now being proven of banking land ahead of the market and I'm pleased as well that with this example perhaps the MHRC and this government will then not proceed to take the steps which we've heard about of divesting themselves of other MHRC-owned lands. It would be a shame if they did.

So, Mr. Chairman, I'm pleased that there is a program. I regret that the program is somewhat convoluted when in fact the land could have been probably sold for \$4,000 to \$5,000 less per building lot than what we see here today.

**MR. SPEAKER:** Notices of Motion.

### INTRODUCTION OF BILLS

**HON. GERALD W. J. MERCIER (Osborne)** introduced Bill No. 41, An Act to amend Various Acts Relating to Marital Property.

**MR. D. JAMES WALDING (St. Vital)** introduced Bill No. 46, An Act to amend The Ophthalmic Dispensers Act.

**MR. WARREN STEEN (Crescentwood)** introduced Bill No. 47, An Act to amend The Law Society Act, and Bill No. 60, An Act to amend The Liquor Control Act (2).

### ORAL QUESTIONS

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

**MR. EDWARD SCHREYER (Rossmere):** Mr. Speaker, my question is to the Minister of Finance and relates to the upcoming Ministers of Finance meeting in Winnipeg next month. Could the Minister of Finance indicate, given that it is now officially confirmed that the rate of inflation has accelerated by a significant amount, whether this major factor will be on the agenda of the Ministers of Finance next month?

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

**HON. DONALD W. CRAIK (Riel):** Well, Mr. Speaker, in reply to the Leader of the Opposition's question, the general theme or the general topic to be discussed at that meeting is to deal more with the medium and long-term economic picture and there have not been as yet spelled out specifics that deal directly with the question that he mentions here, but I would fully expect that this would be an extremely important part of examining medium and long-term economic factors in the Canadian economy.

I would also point out that the current 9 percent increase this last month has come back from an unrealistically low projection the month before in our local area because of some unusual factor that held the value down. The unusual factor was primarily the reduction in the sales tax rate, I presume, in that given month but there have been wide swings in the last two months, both a levelling out and then, this last one, an unusually high swing up, perhaps because of the higher prices for meat and other commodities that are now showing up in the CPI.

But Mr. Speaker, we will have, by the time of the July 6th meeting, the information on another month's performance and we will see then by that time whether the current high indicated rate of inflation growth is still prevalent at that time. But to again be more specific, it is certainly a topic that will be discussed within the general topic of the medium and long-term economic performance.

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

**MR. SCHREYER:** A supplementary then, Mr. Speaker. I'll rephrase that so as to make sure it's not hypothetical. Given that the most recent projected rate of anticipated inflation on an annual basis is now 9 percent, and given that the projections of financing required for the operation of the Departments of Health and our health institutions, our post-secondary educational institutions were calculated at a time when inflation was running at 7 percent, can the Minister of Finance indicate by way of a general outline what course of action will be followed in the event that the rate of inflation is two points over 7 percent, greater than projected, in order to ensure that there is no unrealistic curtailment of the requirements of those of our health and educational institutions which

simply must purchase goods and services in the marketplace in order to keep operating? Can the Minister indicate what action will be taken in the event that the rate of inflation is significantly higher than at the time when the Budget Estimates were being set?

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

**MR. CRAIK:** Well, Mr. Speaker, first of all, if you look at the education costs, typically 70 percent-plus of your education costs are tied to salaries and the component that would be affected by changes in the inflation rate might impinge on part of the remaining 30 percent, in which case, if it narrows down that there is a specific problem it would be addressed at that time. The same is true in hospitals; I don't know what the percentage figure is, but it's the same —(Interjection)— 70 percent again of your total budget for health care is tied to salaries<sup>35</sup> -36 which are negotiated settlements that are already either settled or in the process of being settled at the current time. So the changes in the cost of living then may impinge on a portion of the remainder of that 30 percent. Then again, if there are particular problems arise, they will have to be dealt with at that time.

**MR. SCHREYER:** A final supplementary. I don't quarrel with the Minister in large part on that and that is why, Sir, I pose my question relating not to the generality of government departments but rather with respect to those that have a major component of institutional operation that involves the purchase of foodstuffs, and in that specific regard, and given that foodstuffs' rate of indicated inflation has accelerated even more than I outlined in my question, I ask the Minister what course of action is being contemplated to deal with those very specific components of departmental operations that have to do with the purchase in large bulk of foodstuffs?

**MR. CRAIK:** Well, Mr. Speaker, I can't say anything further other than the fact that if a specific problem arises, we deal with it directly. The greatest impact, though, of the cost of living increase is going to be on the average consumer, I would think, rather than the institutions. The proportion of the budgets that go directly and are as a result impacted by this change during the period of several months left in their operating year, I would doubt whether arithmetically it boils down to creating a particular problem. If it arises as a particular problem, we can only say again that we will deal with it when it arises.

**MR. SPEAKER:** Before I recognize the next question, I would like to take this opportunity to welcome 65 students of Stonewall Centennial School, Grade 6 standing, under the direction of Mrs. Gardner. This school is located in the constituency of the Honourable Minister of Education. On behalf of all the members, we welcome you here today.

The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Mr. Speaker, I have a question for the Minister of Housing relating to the statement that he made this morning on the proposed Home Ownership Program. Could the Minister explain to the House whether, when he speaks about the extension of the program, is that extension tied solely to the disposition or sale of public land assembly lands? In other words, will there only be this particular offering of a second mortgage when it is applied to a public land assembly tract such as the South St. Vital, and can we expect that this particular kind of program will be extended to the South St. Vital holdings that were recently transferred to Manitoba Housing and Renewal from the Leaf Rapids Corporation?

**MR. SPEAKER:** The Honourable Minister responsible for Housing.

**MR. JOHNSTON:** Mr. Speaker, at the present time, as stated in the statement, there are 100 units in Inkster Gardens and it will be expanded throughout the province as soon as our experience in Inkster Gardens and proceeds from the sale of building sites permit, and that is the proceeds from the sale of building sites in Inkster Gardens. Any future development in this program will depend on the success that we have in this particular area. I am not prepared to say that other lands that we own will be handled the same way at the present time.

**MR. AXWORTHY:** Well, Mr. Speaker, perhaps I could ask a supplementary. Does the Minister mean by this that the proceeds from the sale of land in Inkster Gardens could be used for second mortgages on purchases of homes outside of a public land assembly tract? If they are to be extended in the province would they be available for any variety of home purchases for people in the \$14,000-\$18,000 income would they be tied directly to land sizes or land lots specifically within publicly owned land holdings?

**MR. JOHNSTON:** If it's successful and we are able to expand the program after the first hundred, it will be available to everybody in Manitoba and if they want to build a house on their own property or buy a house from a builder other than on public property, they will be able to.

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

**MR. AXWORTHY:** Thank you, Mr. Speaker. Could the Minister indicate whether, in light of that last statement, whether the same kind of second mortgage assistance would be available for the purchase of existing homes in older neighbourhoods?

**MR. JOHNSTON:** I can only say to the honourable member at this time is what I said in my Estimates, that we are looking very closely at making that type of loan available. It's something that we said during our election campaign and my staff and research people are working on it at the present time. We are ready to move on this one and when we have everything right and funds available, without doing what the previous government used to do, which was just build and then sell, we will research and sell.

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

**MR. SIDNEY GREEN:** Mr. Speaker, I'd like to direct a question to the Minister to whom the Manitoba Development Corporation reports. Mr. Speaker, in view of the fact that Mr. Buhler feels that the government has got the best of him in connection with the sale of Morden Fine Foods, would the government consider relieving this poor, beleaguered citizen of his agony by distributing the million dollars in inventory to its public institutions and then the public will own the land, buildings and equipment for nothing and will have recovered the same million dollars which Mr. Buhler has paid for a million dollars in inventory plus a million dollars in land, building, fixtures and equipment?

**MR. SPEAKER:** The Honourable Minister responsible for the Manitoba Development Corporation.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Thank you, Mr. Speaker. In reply to the question from the Member for Inkster, Mr. Buhler submitted the highest tender which was accepted by the Manitoba Development Corporation and ratified by the Cabinet. I should point out to the member that Mr. Buhler has been a businessman in the area and I'm sure he knows what he is doing with this particular plant, and hopefully will continue to operate it, and under the circumstances we felt dealing with the taxpayers' money in the Province of Manitoba, this was the best course of action so that we would not have to infuse more funds into that particular operation.

**MR. GREEN:** Mr. Speaker, in view of the fact that unlike the previous government, this government has obtained no commitment, no agreement, from Mr. Buhler that he will continue to operate the premises, how can the Honourable Minister be sure that Mr. Buhler, who knows what he is doing, will not sell the inventory for a million dollars and get the rest of the equipment free at the expense of the public of the Province of Manitoba?

**MR. BANMAN:** Mr. Chairman, I think the question, first of all, as far as the inventory, is one that has to be addressed, and I understand, and it is our information, that that inventory was overvalued. So if the member is talking about a million dollars, he is throwing out an arbitrary figure which he really has no facts to back up with regard to that. And if he thought it was such a fantastic deal, why didn't he make a bid on it?

**MR. GREEN:** Mr. Speaker, to my honourable friend who is asking me the question, I assure you that if I had the resources of the public at my disposal, I would buy that inventory, distribute it to the public institutions who need it with food costs going up, and the public of Manitoba would own the land, 15 acres in Morden, the buildings, the fixtures and the equipment at no cost to itself. But I ask the honourable member, since Mr. Buhler feels beleaguered, says that he was gotten the best of by the Province of Manitoba, will the province relieve him of his agony by distributing the inventory as I've suggested and then owning the land at no cost to itself or, Mr. Speaker, will the province make sure that he doesn't do it by getting an option from him such as the previous

government got in connection with Sheller-Globe Industries, that if he intends to do that, he will have to sell the inventory, the fixtures, the land, the equipment back to the province, back to the public of this province at the same price that he has paid for it?

**MR. CHAIRMAN:** The Honourable Minister of Industry and Commerce.

**MR. BANMAN:** Mr. Speaker, the Manitoba Development Corporation sold that particular company for \$1 million, it was a cash sale. The company had, for the last two years in a row, lost close to half a million dollars each year, running up in that short period over a million dollars in losses. We felt that we did not want to continue that type of funding and if the member would care to check in the different sectorial meetings that have been held in Ottawa dealing with different industries, the canning industry all across Canada is in fairly substantial problems at this present time. As a result, faced with those prospects of continual infusion of new funds at quite a substantial amount, and given these particular problems, we did not feel that was where we wanted to spend the taxpayers' money at this time.

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

**MR. WILSON PARASIUK:** Thank you, Mr. Speaker, I'll address my question to to the Minister responsible for Housing. What is the dollar difference between the average cost of a lot in Inkster Gardens and the average selling price?

**MR. SPEAKER:** The Honourable Minister responsible for Housing.

**MR. JOHNSTON:** Mr. Speaker, I don't quite follow the question. Would you just repeat it?

**MR. PARASIUK:** I'll repeat the question. What is the dollar difference between the average cost of a lot in Inkster Gardens, that is the average cost to MHRC for servicing it, and the average selling price to the public?

**MR. JOHNSTON:** I don't have those figures in front of me, Mr. Speaker, I'll have to take that as notice.

**MR. PARASIUK:** A supplementary, Mr. Speaker. In light of the fact that the Minister had a number of pertinent facts relating to lots in Inkster Gardens and didn't have the costs indicated, I'm wondering if the MHRC considered competing in the present uncompetitive land development industry by selling its lots in Inkster Gardens below market price so that the private developers would be forced to compete with MHRC by lowering their prices for their lots thereby benefitting all prospective lot and house purchasers in Manitoba.

**MR. JOHNSTON:** Mr. Speaker, to assume that by selling the lots at cost-plus-ten and it will help low-income people is an assumption and a gamble and something that might not happen. I can assure you that the difference between the savings — and I might say the savings are very great in this plan — we are giving a no-interest gift, interest free up to \$5,000, that's what we're giving. To assume that that could be done by a cost-plus-ten is absolutely ridiculous. The difference between the lot costs, price of building, etc., becomes very small when you start working out that way. To get the type of houses you want on it, that you say will have to go on it, you'll have to have a bureaucracy so big that you will never be able to handle it.

Secondly, by the time you're finished with that you can't even control the type of house that goes on it unless you have that big bureaucracy. So what we have said is we will have controls over this, we will help people all over the province by doing it and this particular project has the capacity of helping 300 people; 250 lots can help 300 people if it markets the way we hope it does.

**MR. PARASIUK:** A supplementary, Mr. Speaker. I'll ask another question in the hopes that the Minister will answer the question rather than make a separate speech. Can he confirm that his program will benefit potentially 300 people whereas, by competing in the land development industry,



that 2,000 to 3,000 lot and house purchasers every year in Manitoba would be benefitting from a program that tried to lower the price of lots which right now are over-priced?

**MR. JOHNSTON:** I can't confirm that and it's craziness to even think that that would happen.

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

**MR. SAUL CHERNIACK:** I would like to address a question to the Minister of Finance. I wonder if the Minister of Finance could inform us when he intends to table succession duty information which he promised would be tabled about ten weeks ago.

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

**MR. CRAIK:** Mr. Speaker, I was going to table it and comment on it in the closing of Bill No. 14.

**MR. CHERNIACK:** Thank you, Mr. Speaker. Would the Honourable Minister also indicate whether at the same time he would be tabling the information which he promised regarding the tax comparison tables?

**MR. CRAIK:** Well, Mr. Speaker, as the Member for St. Johns knows, the tax comparison tables was an Order for Return and it being dealt with as such, I undertook to provide copies to all members of the Legislature. It is a table and tables are being prepared and I think they'll be ready very shortly. They may be ready in the next couple of days.

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, I undertook yesterday to answer a question placed by the Honourable Member for Fort Rouge as to whether or not the Human Rights Commission had received a communication from the Honourable Herb Gray concerning a reference to the Manitoba Human Rights Commission of the Manitoba Telephone System and Saudi-Arabia project. Mr. Speaker, because of the provisions of the Human Rights Act that pertain to the confidentiality of information that comes to the Human Rights Commission, I can only confirm, Sir, — and this is with the consent of the Honourable Herb Gray — that he has made a complaint to the Human Rights Commission. I cannot indicate what matter that is with respect to but I can also advise that he is agreeable to referring any requests for information directly to himself for any further clarification.

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

**MR. GREEN:** Mr. Speaker, I would like to go back to the Minister to whom the Manitoba Development Corporation reports. Can the Minister tell the public of this province what assurance they have that this much beleaguered citizen whom the government has got the best of, will not liquidate the inventory for the \$1 million which it could get on the market, properly dealt with, and then own the 15 —(Interjection)— Well, my learned friend, the Leader of the Opposition thinks canned goods do not sell for . . . Mr. Speaker, the institutions and hospitals in our province are now paying 100 percent on the dollar for those canned goods and they could be transferred to them quite quickly

**MR. SPEAKER:** Order please, order please. Will the honourable member direct himself to the question.

**MR. GREEN:** Mr. Speaker, I wish to apologize to the Speaker. The First Minister has been interrupting me and distracting me which he is capable of doing.

**MR. LYON:** Mr. Speaker, on a point of order, I was merely mentioning the word "beans" to my honourable friend. He can take that word whichever way he wishes.

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

**MR. GREEN:** Mr. Speaker, may I assure the honourable member that the people in our institutions eat lots of beans. Morden Fine Foods sells more peas than they do beans.

May I ask the member whether he can assure us that this beleaguered citizen who now finds himself in a very difficult position will not sell, liquidate the inventory and come into possession of land, buildings and equipment worth \$1 million, with no outlay on his own part? Can he assure us that this will not happen?

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

**MR. BANMAN:** Mr. Speaker, if the member will check the press release, which I put out yesterday, he will notice that there has been a substantial problem with inventory. Last year they only contracted 642 acres out, which means that they had a fairly substantial carry-over in stock. It's bright stock, which means there are no labels on it, and as stock deteriorates the prices go down. It's just like any other item. So, as a result, you've got to sell it at a reduced price.

Let me say further, Mr. Speaker, that you know the members opposite claim this is all worth this big kind of money. Let's just look back at the other particular item which they said was worth \$1.3 million — the boat which we sold. We sold it for a quarter of a million and they said it was much too cheap. It's still sitting out there and not being operated because we couldn't afford it and the new owners feel they can't operate it either.

**MR. GREEN:** Mr. Speaker, I want to ask the Honourable Minister whether he is comparing fine land in that wonderful community of Morden to the Lord Selkirk, and I want to ask the Honourable Minister whether the hospitals, the institutions, the other public institutions, are not now buying the same product which he says has no value for 100 cents on the dollar, which includes profit which are not located in the inventory figures of Morden Fine Foods?

**MR. BANMAN:** Mr. Speaker, as stock gets older it's reduced in price and it's downgraded as far as . . . Well, you know, the members opposite can laugh but as the stock gets older it gets downgraded. There are rules and regulations governing these things and as the stock gets older, if you've got 1975 or 1976 stock on hand it's a lower quality because the nutritional values leave it. So I mean the member can say it's worth \$1 million; he can say whatever he wants but we had an appraisal done on the stock and we had an appraisal done on the property. We felt this was a fair value under the circumstances. We got more money this way than we feel we would have got in liquidating all the 15 acres of land, as well as the stock. So we feel that the Province of Manitoba, the taxpayers, will not be asked to delve into their pockets and come up with another \$500,000 next year.

**MR. GREEN:** Mr. Speaker, I will finally ask the question which the Minister has studiously avoided answering. What assurance does the public of this province have that this beleaguered citizen will not do just as I have said: Liquidate the stock and remain the owner of the land, buildings and equipment?

**MR. SPEAKER:** Order please, order please. May I suggest to the honourable member that repetitive questions are not in the best interests of our Assembly.

**MR. GREEN:** Mr. Speaker, with respect, if the question is not answered then the possibility is that the Minister has not understood it and therefore I am entitled to repeat it. If he answered it, it would be different. I am not seeking a different answer; I am seeking a simple answer. What assurance do the public of the Province of Manitoba have that this beleaguered citizen, who has been ill-done by this province, will not liquidate the stock and keep the rest of the asset?

**MR. BANMAN:** Mr. Speaker, as I mentioned yesterday in the committee hearings, the gentleman has given his undertaking that he will continue to operate that particular facility. Now, if the gentleman is going to continue to lose money, which hopefully he will not, and make that a viable enterprise,

which the government could not do, I hope that he can do that, then he will continue to operate it. But if we are faced with horrendous loses, Mr. Speaker, that's his decision now.

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

**HON. EDWARD MCGILL (Brandon West):** Mr. Speaker, on Tuesday last I was responding to questions placed by the Member for St. Johns and reassuring him that all of the material which had been distributed to MTS employees with respect to the Bell Canada Saudi Arabia project had in fact been tabled in the House.

At that time, Mr. Speaker, the Member for St. Johns indicated that the intent was that all material, not just material that had been distributed, should properly be tabled. And he insisted, Mr. Speaker, that there were additional documents that had not been included in the original tabling.

As a result, Mr. Speaker, of his speaking with such certainty and apparent knowledge, I agreed that I would again ask Manitoba Telephone System to ensure that all relevant material had indeed been tabled.

As a result of that further research, Mr. Speaker, I am now advised that there were indeed two manuals which are deemed to be the property of Bell Canada which were forwarded to MTS to be used by Bell Canada people when they interviewed people who had filed an application for employment on this project.

So, as a result of the further questions, Bell Canada was asked to approve the tabling of these manuals and this they have done and, Mr. Speaker, I am prepared to table them at this time. These manuals, as I say, are to be used by Bell Canada representatives when they conduct interviews of people who do apply. At the moment, no application has been forwarded, so no interviews have been conducted. But I would like to point out, Mr. Speaker, that these manuals do contain the kind of material to which the Member for St. Johns referred. That is material relative to the customs restrictions which are now in effect in Saudi Arabia. And in the listing of those restrictions there are certain items which are of particular interest and impact, particularly on certain religious faiths, and they do include reference to a six-pointed star symbol, they include reference to recordings of Jewish music, and they include prohibition on the importation of globes and maps which relate to Israel.

So, Mr. Speaker, these are the areas which I believe the federal Human Rights Commission is now investigating to determine if they, in fact, as standing import restrictions in Saudi Arabia, do constitute a form of discrimination.

So, Mr. Speaker, I now table these two Bell Canada manuals and I am assured that there is no other paper that relates in any way to this general project. But they were not tabled prior to this because it was information which was not distributed. It was information in books which were the property of Bell Canada and was to be used exclusively by Bell Canada in the interviewing of applicants who had forwarded applications for approval.

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

**MR. CHERNIACK:** Mr. Speaker, I want to thank the Honourable the Minister for producing the documents which have taken this long to be produced and I, of course, don't blame the Minister but I am sorry to note that the Telephone System did not provide him with the information. He has made the point that he proposed to give information distributed to MTS employees, but what he undertook to give was all documentation received from Bell Canada which apparently includes these documents, and which probably include information as to visa application requirements by Saudi Arabia.

In the light of that, Mr. Speaker, I would ask the Honourable Minister to clarify his statement regarding interviews by Bell Canada of applicants and to relate that to the fact that the Telephone System in addressing its employees, has asked for a resume to be submitted to the Manitoba Telephone System and to inform them that the personnel department of the Telephone System will, "Will begin to process your application." Does the Minister now say that the Telephone System is receiving resumes, and nothing further — and that would be in contradiction of the apparent intent of the distribution to employees — or will the Telephone System assist Bell Canada in its recruiting?

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

**MR. MCGILL:** Well, Mr. Speaker, these are questions of detail, that I regret very much the Member for St. Johns did not place before the Public Utilities Committee and the Chairman of Manitoba Telephone System, when the System's annual report was under review. Nevertheless, I can give him my general understanding of what processing means and I would say that it merely means the

acceptance and forwarding of the applications, up to this point in time which of course no application has been forwarded.

But the word "processing" to which the member takes particular exception, I believe would tend to merely cover that matter of reception and forwarding at an appropriate time of all applications that were completed by MTS employees.

**MR. CHERNIACK:** Mr. Speaker, I want to thank the Honourable the Minister for his answer. I want to point out to him, and in the form of inquiry, to indicate to us, what is the government's policy in this regard since the government represents the people of Manitoba who own and control the Manitoba Telephone System, and would he therefore respond as to what his policy and that of his government is in relation to this recruiting, rather than refer me to a meeting of the Public Utilities where I could ask the Chairman what he thinks? It is the government that should be indicating policy to the Telephone System regarding dealings with foreign countries and dealing with international organizations that deal with foreign countries, and therefore I ask the Minister to inform us, what is government policy in relation to the recruiting, active or passive, by the Telephone System of personnel to be used by Bell Canada for work to be done in Saudi Arabia?

**MR. MCGILL:** Mr. Speaker, I have already announced what the position of the Government of Manitoba was with respect to any boycotting, which was not part of federal position, the Government of Canada had undertaken with respect to a foreign country. But, Mr. Speaker, the whole matter of the technicalities with which the applications are processed, will certainly be referred to the Manitoba Telephone System for a complete and detailed report, if the member would like that to be on the record.

**MR. CHERNIACK:** Mr. Speaker, I want to thank the Honourable Minister again for offering to give us a report of what will have happened. I would have liked to have heard from him a more consistent and responsible attitude in regard to planning with the Telephone System as to the manner in which they will be dealing with this request for recruiting and obtaining applications. That is the question I'm asking the Minister. Will he give us reports as to what he intends to do in this regard rather than what the Telephone System has done?

**MR. MCGILL:** Mr. Speaker, again I will assure the member that we'll be guided by any findings of the Federal Human Rights Commission in respect to the Bell Canada contract with Saudi Arabia, and we will certainly abide by any decisions that are made in respect to the proper terms, or otherwise, of this contract.

R. SPEAKE : The Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Speaker, to the Minister of Industry and Commerce. With respect to the sale of the public assets of Morden Fine Foods and recalling that approximately four years ago somewhat similar circumstances, a sale was made by the Crown, of a school bus company and assets at Morris, Manitoba to Sheller-Globe Limited, with the contractual provision that in the event that the purchaser did not maintain the existing level of employment, or higher, that the Crown had a contractual right to repurchase, at cost. Can the Minister indicate whether such a contractual provision exists in the case of the sale of the assets of Morden Fine Foods?

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

**MR. BANMAN:** Well, Mr. Speaker, first of all the conditions with regard to this sale are different. We are not taking a mortgage on the property, which was indeed the case at the Sheller-Globe contract. And secondly, Mr. Speaker, we felt that at this time we did not want to continually take the loss year after year, and as a result that agreement was not entered into.

**MR. SCHREYER:** Well, Mr. Speaker, despite the observations in the reply by the Minister, some of which happened to be inaccurate such as with respect to being obligated to take back the mortgage in the case of the sale of Sheller-Globe, that is not correct. Apart from that, Sir, I ask the Minister of Industry and Commerce if he is then in fact confirming that there is absolutely no contractual provision which protects or insures that the level of employment at Morden with respect to this operation, is a contractual clause or provision?

**MR. BANMAN:** Mr. Speaker, there are no compulsion or forcing documents with regard to this particular company. I should also point out that in 1976 there was an attempt to make this company more viable and there was \$500,000 spent on equipment and new capital. We lost that \$500,000

and then instead of becoming more efficient, what happened is we lost another \$430,000 that year.

**MR. SCHREYER:** When the Minister of Industry and Commerce refers to a compulsory feature, I ask him whether he regards it as a compulsory feature to have a clause in the contract to which both the purchaser and the vendor agree.

**MR. BANMAN:** Mr. Speaker, in this particular instance facing the losses we had and the projections that we were looking at, we did not ask for that particular guarantee. We did not take a mortgage on the property as MDC did with Sheller-Globe.

**MR. SPEAKER:** Order please. Order please. The Honourable Leader of the Opposition has had one question and two supplementaries. The hour for Question Period now being over, I would like to at this time welcome to the Chamber 60 pupils of the J.A. Cuddy School under the direction of Mrs. Erb.

This school is located in the constituency of the Honourable Government House Leader.

We also have 41 students from the Crystal City Elementary School under the direction of Mrs. Galibrosky. This school is located in the constituency of the Honourable Member for Rock Lake.

On behalf of all the honourable members, we welcome you here today.

The Honourable Member for Kildonan.

**MR. PETER FOX:** Yes, Mr. Speaker, before Orders of the Day, I'd like to indicate a couple of changes on some of the Standing Committees. On Municipal Affairs would you take off the name of the Honourable Member for Wellington and introduce the name of the Honourable Member for Brandon East and on Economic Development, take off the name of the Member for Brandon East and place thereon the Member for The Pas. And one other question to the House Leader in respect to procedure, Mr. Speaker. During the Labour Minister's Estimates we had a number of questions banked, I don't know what the procedure will be in respect to those answers. I would suspect and I would respectfully suggest that if we could get those in writing and they were tabled and then entered into the Hansard record that that would then be part of Hansard and we would have it on record. I don't know what else we can do at the present time because it's something we haven't done previously, and it's not really correct procedure what is happening.

**MR. SPEAKER:** Order please. Before we proceed with that question, is it agreed to the changes in the co (Agreed) ittee membership. The Honourable Government House Leader.

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, before proceeding to the Orders of the Day, I would like to announce that it is the intention to calling both the Economic Development Committee in Room 254 and Municipal Affairs Committee in Room 200 to consider Bill 18 on Tuesday morning at 10:00 a.m.

In response to the question posed to me by the Member for Kildonan, I'll have to take his suggestion under consideration. In the past it's been the practice of producing answers to questions that were not available at the time that the Estimates were being considered simply in written form to the members who asked the questions. His suggestion is one that would pose some difficulties because if the answers are not forthcoming by the time the Hansards are printed then there will be some problems in including it as a portion of the transcript for that particular day.

### ORDERS OF THE DAY

**MR. JORGENSEN:** Mr. Speaker, I wonder if you would now call Bills No. 15, 30 and 44 standing in the names of the Minister of Finance, the Minister of Labour and the Minister of Consumer and Corporate Affairs and following that, Mr. Speaker, I wonder if you would call Bills No. 38 and 39.

### SECOND READINGS — GOVERNMENT BILLS

#### BILL NO. 15 — AN ACT TO AMEND THE HOMEOWNERS TAX AND INSULATION ASSISTANCE ACT

**MR. CRAIK** presented Bill. No. 15, An Act to Amend the Homeowners Tax and Insulation Assistance Act, for second reading.

**MOTION presented.**

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

**MR. CRAIK:** Mr. Speaker, Bill 15 deals specifically with the changes in the property tax rebate to assist pensioners with an additional \$100 of rebate on their property tax related to school assessments.

Mr. Speaker, this topic of course has been the subject of much discussion and much debate already and Bill 15 comes in to a certain extent after the fact. There have been a number of questions raised which I would want to deal with during the course of my comments on it that may still be outstanding.

Mr. Speaker, on coming into office we had indicated that one of the prime objectives of the government was to provide an increased measure of relief on property taxes in relation to school taxing particularly for people who are on pensions, primarily for people in the senior citizen age group, the plus 65 age group. What this does, as I've mentioned, is to increase the amount by the \$100 and is applicable to this tax year. We did not have sufficient time to make more wide-ranging and complete changes, but we indicated at an earlier date, Mr. Speaker, that we did intend to review in its entirety the whole concept of the rebate programs to attempt to rationalize them more fully and this study is under way, and if there were changes to be made I would think that we would have sufficient information to make the changes by the next sitting of the Legislature.

There are a number of anomalies that are taking place in the rebate programs that I think many of us are aware of and this covers not only the school tax rebates, the cost of living tax credits, and the OAS, GIS supplements that are carried on. All of these programs tend to dovetail and having come into existence one by one, there are some anomalies that are occurring with them and what we've done here is to move as fast as possible to add some relief in areas where we knew there was a specific problem, not with the aim and objective and not on the grounds that it would be the provision on a long-term basis of relief for property taxpayers, but rather a move which would give them relief in the current year and which would move a long way towards the undertaking that we had given and with the objective of having a more complete review done during this particular year 1978.

Just to give some of the statistics on it, the added assistance will cover, on a dollar-for-dollar basis, the first \$100 of school taxes in excess of the current property tax credit maximum of \$375.00. It means that most senior citizen pensioner homeowners in low incomes with \$475.00 or less in school taxes will have their entire school taxes covered by provincial assistance.

Earlier in the session, there were a number of questions with regard to more complete statistics on it and I can perhaps put on the record the following figures which we have worked from. First of all the new program will increase the number of pensioner homeowners in the under \$5,000 thousand income class having their full school taxes covered from 17,726 or 73 percent up to 21,571 taxpayers or 88 percent.

Secondly, the new program will increase the number of pensioner homeowners in the \$5,000 to \$10,000 income range having their full school taxes covered from 5,963 or 48 percent to 8,523 or 69 percent.

Thirdly, the new program will increase the number of pensioner homeowners in the \$10,000 to \$15,000 income range having their full school taxes covered from 1,436 or 30 percent to 2,484 or 52 percent.

Fourthly, the new program will increase the number of pensioner homeowners in the \$15,000 to \$25,000 income range, having their full school taxes covered, from 376 or 16 percent to 747 or 32 percent. And finally, the new program will increase the number of pensioner homeowners in the \$25,000-plus range, having their school taxes covered from 41 or 8 percent to 65 or 12 percent.

In summary, this new program means that an additional 7,848 pensioner homeowners will have their full school taxes covered by provincial assistance, and of these, as I mentioned in order to summarize, 3,845 have income under \$5,000; 6,405 or 82 percent have incomes under \$10,000; 7,453 or 95 percent have incomes under \$15,000; 395 or 5 percent have incomes over \$15,000; a total of 24 or 0.3 percent have incomes over \$25,000.00.

Mr. Speaker, I think that will indicate, in answer, the arithmetic part of who is being assisted by this. There has been some speculation that the program is aimed at assisting wealthy senior citizens but as you can see from the statistics, you would have to call someone who makes \$10,000 or in that range as being wealthy. While there is some benefit to those who are making over \$15,000, it is only 5 percent of the total that are receiving the benefits, and that from our point of view is a successful program because the benefits are accruing 95 percent to those who are making less than \$15,000.00. So I think any criticism is pretty grossly out of context to say that it's assisting those in the higher income brackets or high income brackets.\$

We looked at other possibilities when we attempted to set up the program. We discussed it with Revenue Canada and there was some difficulty, I would say. Not difficulty in applying it through the income tax system to senior citizens, but this program that we've brought in does not only apply to senior citizen pensioners, those over 65, it applies to people under 65 who as well may be on pension for one reason or another. So the program that we have brought in is not restricted to senior citizens alone, although the vast majority would be senior citizens. One of the major difficulties with Revenue Canada was that it was difficult for them to adjust it to those who are on pension who may be under the age of 65. So it was a direct program, Mr. Speaker, that was applied immediately and would be felt immediately at the taxpayer level because it applies to the municipal level and therefore they get the benefit as soon as they go to pay their property taxes, which most of them are doing at the present time, and not waiting until next spring until they have filled out their income tax form.

I would point out, Mr. Speaker, also, that our feeling is generally that through the property tax rebates and through the cost of living tax credit system, through the OAS, GIS supplement, that we have three mechanisms that whereby you can either provide protection on property taxes or provide supplementary income to those who are in need. And of course there are other mechanisms through the welfare system as well. We seriously question whether the income tax system is the — the income tax forms, I should say, not the income tax system — but the filling out of annual income tax forms is the best method of redistributing income and of handling rebates for property tax. However, that's what's led us to question the system which we want to review and which I have indicated we are going to be doing over the coming year. This program here was done — just to repeat again — was done so that we could get the benefits into the system immediately and provide time to look at the approximately four different programs that tend to be overlapping, particularly in that senior citizen age group, and perhaps we can come up with a better overall solution by another year.

Mr. Speaker, I want to mention with regard to the Insulation Loan Program that in our opinion it is working well, it has worked well, it's still working well. To give you some figures, the Home Insulation Program — this is the one that was set up by the Provincial Government, operated through the Manitoba Hydro, with the loans being guaranteed through the Manitoba Government at an equitable interest rate — that at the time of making these notes, and I know the figures now are substantially higher, that there were 3,250 loans that had been approved to upgrade insulation in homes in the province. Now, this compares quite favourably with the approximately 1,500 grant applications received from Manitobans under the limited federal grant program, so the numbers of people, Mr. Speaker, and this is perhaps an interesting feature to point out, or observation to make, that the loan program is not a subsidized program, it's a program whereby a person that wants to upgrade the insulation in their home may go to the Manitoba Hydro and make the loan and make it at current bank prime rates, roughly, but it's fully paid back through their utility bills and there's no grant or subsidy by the Provincial Government.

On the other hand, the Federal Government operates what is entirely a grant program through their separate system that they have set up. When they originally started out they had their entire operation operating out of Montreal. They now do have regional offices established in an attempt to get a little closer to people. But even though it is a grant program applied only to houses which predated a certain early date, 1920 when it started out, whether there has been many later revisions to that now, there's been some discussion of that — (Interjection) — It's up to 1946 now? The total numbers of people who have taken advantage of the grant program are approximately half of those who have taken advantage of, not a grant program, but a simple mechanism that would allow them to borrow the money, pay it back on a regular monthly basis through their utility bills.

The measure under which the province pays increases in property taxes which might result from the utilization of solar heating in homes is also useful and desirable and in line with recommendations from groups favouring solar heating. While no payments have been made under this program to date, it may be of a long-term benefit.

In summary, Mr. Speaker, on Bill 15, this bill deals directly with the problem of high school taxes faced by many of Manitoba's pensioner homeowners. The assistance given under the program is on a fair, equitable and on a timely basis. Accordingly, Mr. Speaker, this being the principal matter dealt with in this bill, I trust it will recommend itself to the House at this stage.

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

**MR. FOX:** Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member for St. Vital, debate be adjourned.

**MOTION presented and carried.**

**HON. NORMA L. PRICE (Assiniboia)** presented Bill No. 30, An Act to amend The Civil Service Superannuation Act, for second reading.

**MOTION presented.**

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

**MRS. PRICE:** Mr. Speaker, this bill provides for housekeeping amendments to The Civil Service Superannuation Act. Sections 1 and 2 of the bill explicitly state the boards' interpretation and intent of existing legislation which has been questioned by the Provincial Auditor's office.

Section 1 of the bill, the current Civil Service Superannuation Act, as amended by the previous government in 1977, does not specifically permit the Superannuation Board to pay pensioners aged 80 or over in recognition of World War II service. Section 1 explicitly permits the board to pay this group of pensioners. There are five pensioners currently affected whose combined monthly pension increases total \$268.00 per month.

Section 2 of the bill explicitly states that all World War I, that is 1914-1918 veterans, regardless of age, shall receive a pension increase effective July 1st, 1976 in recognition of World War I service. There are 31 pensioners currently affected whose combined monthly pension increases total \$696.00 per month.

Section 3 of the bill provides that the final employer of an employee who transfers pension benefits out of the fund under reciprocal agreement is liable for the full employer's share of pensions transferred out regardless of the number of government employers during the employee's working career.

Section 4 of the bill corrects a typing error in previous legislation.

Sections 5 and 6 of the bill clarify the effective dates of these changes and prior years' amendments.

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

**MR. FOX:** Mr. Speaker, I beg to move, seconded by the Honourable Member for The Pas, debate be adjourned.

**MOTION presented and carried.**

#### **BILL NO. 44 — AN ACT TO AMEND THE CORPORATIONS ACT**

**MR. MCGILL** presented Bill No. 44, An Act to amend The Corporations Act, for second reading.

**MOTION presented.**

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

**MR. MCGILL:** Thank you, Mr. Speaker. I should like to tell the members of the House and remind them that a new Corporations Act was passed at the 1976 session and was brought into force in November of that year. It's now been in operation for one and a half years. This new Act to a large extent was patterned after the Federal Corporations Act of 1975 and, Mr. Speaker, neither Act has been amended since its passage into law.

It may benefit newer members of the Legislature if I mention that the new Corporations Act was designed to streamline corporate procedures for the benefit of the businessman and the solicitor; to provide more protection for the minority shareholder; to dispense with meaningless formalities; and to permit more efficient utilization of staff time in the Corporations Branch and provide faster service to the public.

The Corporations Act of 1976 has met all these goals and despite a flat economy the number of new incorporations for the fiscal year ending March 31, 1978 totalled \$2,747 as against \$2,316 for 1976 which was an increase of 18.6 percent.

The average turn-around time for incorporation has been reduced from 3-4 weeks to approximately 7-10 days with no increase in staff.

The economic climate in Canada and in Manitoba undergoes rapid changes making it difficult for appropriate legislation to keep pace with some of these changes. Income tax laws are constantly changing and the areas of trade and commerce continue to tax and challenge respective laws



in those areas. If government, through its legislation, is to keep abreast with the constant changes and progress that occur in the marketplace, it is essential to amend our laws accordingly. It is with this purpose in mind that this bill is presented to the House at this time.

Mr. Speaker, similar amendments are being introduced federally and Bill S-2, An Act to amend The Canada Business Corporations Act, has already passed the Senate and has been introduced into the Commons. As uniformity of corporate law has many advantages to both the businessman and the solicitor we hope to retain a good deal of uniformity in this particular field as Manitoba, Saskatchewan, and the Federal Government have basically uniform statutes. Two other provinces are also actively reviewing their Corporations Acts and they soon join the fold.

The special committee of the Manitoba Bar Association, which was instrumental in the preparation of the 1976 Act, has reviewed these amendments and recommends them to the government and to you. This committee's chairman is Irwin Dorfman with Martin Freedman as vice-chairman and the more active members include Professor Art Braid, Robert Hucal, Mel Neuman, Abe Anhang, Allan Cantor, Raymond Adams, David Sokolov, Clive Tallin and the department representatives.

Mr. Speaker, while this amending bill is rather lengthy, the only new provisions that it contains is that covered by Section 63 of the bill which re-introduces into corporate law the arrangements provision which has been in the old Act for many years but was purposely omitted from the new Act as it was assumed that a corporation could effect any change in its corporate structure by invoking the fundamental change provisions of the Act. Experience has proven that this assumption is wrong, particularly in respect of the unwinding of an unsuccessful amalgamation and therefore, Mr. Speaker, what was left out is being put back into the law. So much for progress.

The arrangement section is to be numbered and will empower a court to make a fundamental change by way of an arrangement if it is not possible to effect the change otherwise. Responsibility focuses on the court to approve an arrangement and this is the same procedure followed under the old Act. It is not expected that it will be utilized to any great extent, Mr. Speaker, but it would be available should the need arise.

The other amendments to the Act are technical changes designed to render the operation of the Act more equitable and efficient and are the result of the experience of both the federal and my own branch in administering their Acts over the past two years.

Mr. Speaker, I therefore recommend this bill to the honourable members for their careful consideration.

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

**MR. FOX:** Mr. Speaker, I beg to move, seconded by the Honourable Member for The Pas, debate be adjourned.

**MOTION presented and carried.**

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

**MR. JORGENSEN:** I had indicated earlier that I would be calling Bills No. 38 and 39 in anticipation that the two members in whose name those two bills were standing would remain in the House. So much for long-range planning. So if we will just defer those for the moment, Sir, and if you would just call Bill No. 14, I see the Minister of Finance is here. He can close debate on that particular bill.

#### **ADJOURNED DEBATES — SECOND READINGS**

#### **BILL NO. 14 — AN ACT TO AMEND THE INCOME TAX ACT (MANITOBA)**

**MR. DEPUTY SPEAKER:** Bill No. 14 — the Honourable Minister of Finance.

**MR. CRAIK:** Well, Mr. Speaker, as the House Leader has indicated, I'll be closing debate on this bill. The scheduling is not quite on here but I'll proceed. I think perhaps some of the members opposite did want to be here in the closing of this debate because it has been one of the bills of some major debate and discussion in the House over the past couple of months.

**MR. DEPUTY SPEAKER:** I recognize that the Honourable Minister of Finance is closing debate. The Honourable Minister of Finance.

**MR. CRAIK:** Well, Mr. Speaker, first of all, I found the debate that has taken place on this bill

to be a rather strange response to the bill since it is a bill which reduces taxes in Manitoba —(Interjection)— the Member for Kildonan repeats the accusation from across the way that it reduces the taxes for the wrong people. Mr. Speaker, I would have thought that the tax measures that are proposed in this bill would have been endorsed by the members opposite. I would have thought that they would have, rather than being blinded by their role to oppose, would see a little bit past that to see the role of Manitoba within Canada. Because, Mr. Speaker, what this bill does is to bring Manitoba a little more into line with the other provinces. We've not, Mr. Speaker, as I said as far back as last fall, we have not in fact pretended that we are making major substantive changes in the levels of taxation. What we are doing is attempting to make Manitoba's tax picture somewhat more competitive with our neighbours in Canada. —(Interjection)— Well, Mr. Speaker, as I said, I know now what's bothering the members opposite. I've known all along. They are so hung up on this doctrinaire hang-up that they have about playing economic class warfare that they can't see the forest for the trees.

Mr. Speaker, what this bill does is put Manitoba in a position that I would have thought they would even have liked to have taken the opportunity to compare Manitoba's tax position with these proposed changes. I know that the members have these one-sheet tax comparisons because they're contained in the budget but there's been a change or two since then and I'll have the updated copies distributed to the members in the event that they may wish to make the comparison.

First of all, Mr. Speaker, we reduced the income tax by 2 percent, from 56 to 54 percent. It puts us in the position of having the fourth highest personal income tax in Canada which is still, Mr. Speaker, within the same position that we were in relatively before except we are a little closer. And if you read across the board you will find that, starting at the east coast, Newfoundland has 58, PEI has 50 percent, Nova Scotia 52, New Brunswick 55-½. Quebec is different; it shows as 2 but there is a special reason for that. Ontario is 44, Manitoba is now 54 rather than 56. Saskatchewan is now 53. Alberta is 38.5 and British Columbia is 46.

Mr. Speaker, to listen to members opposite you would think that we were giving away all the tax position we had to the rich people. What we have essentially done, Mr. Speaker, is to remove us from being second only to Newfoundland. And it might be valuable, it might assuage the feelings of the members opposite if I read the following rationalization, which was presented on June 1, 1977, by the then Minister of Finance, who now sits opposite.

When the change was made in the tax structure, he said: The new Manitoba personal income tax rate will become 56 percent instead of 57 percent and this is, to understand it in the sense of what we all know, comparing it with 42.5 percent which has been in existence up to now. It is as if we reduced the 42.5 to 41.7, which is a 2 percent general reduction.

As a result of this, as an aside, Mr. Speaker, I will point out to you that this will rank Manitoba fourth amongst the provinces for income tax purposes. It will rank Manitoba fourth amongst the provinces on income tax.

Well, Mr. Speaker, what we have done is —(Interjection)— Mr. Speaker, this is the difficulty I am having. I get this massive barrage, this repetitious — It's not a barrage; it's just like a stuck record repeating over and over again. But they did exactly the same thing. Where was the hang-up across the way last year, June 1, 1977, when the former Minister of Finance made the same move? He made a one percent move, but nevertheless, Mr. Speaker, saw the necessity to make the move at that time. They were very silent across the way at that time.

I think in their own minds they realize that Manitoba can't be the highest income taxed province in Canada. It would be the second highest, apart from the changes that we've made. It would rank after Newfoundland. It is pretty obvious from these sheets.

So much for the income tax, Mr. Speaker. To repeat again, we have not tried to pretend that this move is going to make Manitoba low among the scales of income taxes in Canada. It, in fact, still leaves us amongst the highest. It is a little more competitive but it's not a massive change. We're not trying to pretend it is and I don't think the members opposite should try and pretend it is.

The corporation taxes. Mr. Speaker, they have talked, and dwelt again, they have got hung-up on this business of corporation taxes. I point out to you that what we've changed is the corporation taxes for the small business category. I always thought that the New Democratic Party . . . I, falsely I guess, took them at their word over the years when they said that their goal was to attempt, if they had to do anything, they would attempt to help the small business sector in Manitoba. They were going to help the little guy. Well, there are 30,000 little guy corporations in Manitoba. Those are the people that get the mail-outs for the Capital Tax Act anyway. With the changes we have made in the capital tax to change the limits, we know that out of those 30,000, there are less than 1,500 that would fall into the big guy category — well under the 1,500.

But the big guys happen to be the ones that are paying the large chunk of the corporation tax. We have not changed that. We have not changed that. As a matter of fact, we have left on the surtax. In the large corporations, which are paying the largest chunk of the corporation taxes, they

are being taxed now in Manitoba at the highest rate in Canada. But you don't hear that kind of observation and honesty coming from across the way.

What we have changed is the rate on small business. We have changed it to 11 percent, which makes us now the same as Saskatchewan; the same as Alberta; one percent lower than British Columbia; one percent higher than Ontario; one percent lower than Quebec, and puts us down into a competitive range.

And what did it cost, Mr. Speaker, to make that change, to provide that welcome sign to the small business which has been the backbone of our industrial economy in Manitoba? Not a great deal, Mr. Speaker.

What did we do for big business? These corporate giants that my jaded friends opposite keep referring to as being the jaded friends, they get jaded, they get caught up in this argument that gets so dull because they can't think of anything new to say, so they just adopt the old repetition: You are helping the corporations. You are helping the corporations.

Mr. Speaker, I am going to repeat, just in case they haven't heard across the way, we have the highest corporation tax in Canada in Manitoba. We are reimposing, in addition to that, the corporation surtax.

Mr. Speaker, they are deaf. They are so stuck and hung-up that they can't recognize that what this bill does is to do what they paid lip-service to, that is to provide an environment where you hang out the shingle to the small business enterprise, the small operation that wants to get started, the small operation that now constitutes 80 percent of our industrial operation in Manitoba, and says to them, "You are welcome. We are only going to tax you now 11 percent."

I think one of the members across the way told a story about the tithing story. You know, one for me, one for me, one for me. Or was it the other way, one for you, one for you and one for me. I'm only going to take one out of ten. He doesn't point out that corporations are taxed not at the Manitoba rate. This is a tax rate over and above the federal rate.

The exact figures are that in the large business category, on which we are maintaining the highest rate in Canada plus the surtax, that the corporation tax is in excess of 50 percent tax in that category — around the 50 mark, somewhat in excess of 50 percent. The rate for the small business tax — and that's a long way from tithing, Mr. Speaker — that's one for you, one for me, one for you, one for me. Not nine for me, one for you.

You see, they can't get away from this temptation to distort. And even in the small business case, the tax rate now in Manitoba will work out closer to around the 25 percent rate, Mr. Speaker. I suppose that still bothers them, the fact that \$3.00 out of \$4.00 of the profit that a small business makes is retained for whatever purposes they may wish to retain it. They also implied that somehow the corporation that makes the money automatically takes it out of the pockets, or some individual is going to, not recognizing that it is a vehicle for industrial development, Mr. Speaker.

I think some of the members opposite know the tax laws as well as anyone else that should know them, in that money that goes into the corporation is not necessarily money in the pockets of individuals. It's money that is required for one purpose or another for industrial development, industrial expansion or industrial progression.

At any rate, just to repeat, Mr. Speaker, in case they haven't heard it, again, Manitoba has the highest corporation tax on the large businesses. It has a surtax that is applying on top of that. Mr. Speaker, I don't for a minute think that that's going to change the song that is going to come back across the floor from across the way. We are going to have it repeated over and over again about the giveaways to the corporations and it is going to be absolute junk. That's what it amounts to.

However, I would have thought, as I say, based on what they said when they were on this side of the House and what they have alluded to, at least periodically, that they are for the little guy, that they might find a measure of support for the move which we have taken, which is to reduce so it's competitive the tax on the small corporation, bring it down to 11 percent — the same as Saskatchewan and Alberta, about the average in Canada — and to leave the large corporations at 50 and to reimpose the surtax. If they are going to vote against that, that's what they are voting against.

On the first two taxes, then, they're saying that Manitoba should not have the fourth highest income tax in Canada; Manitoba should have the highest income tax in Canada. They're saying that we don't believe in you reducing the corporation tax on the little fellow and having the highest tax on the big fellow, plus a surtax. We're against you on that. So, on these two basic principles, they are against it.

I don't know where the Member for Fort Rouge stands on this. He spoke on this. He, perhaps, is in the same . . . I gather from his remarks he is probably going to vote against the bill, as well.

Mr. Speaker, on those two major tax changes, we find the members opposite, for reasons only they know, voting against a reduction in taxes for the people of Manitoba. It's not a giveaway

It's simply a reduction that moves us a little more in the line, realigns our tax structure a little bit so that the small corporations have some advantage, reimposes the surtax on the large business portion to the point where we have the largest, highest, biggest corporation tax in Canada on large business, but changes the emphasis around to try and provide the encouragement for the small business sector, which has been so important in the past and will continue to be so important to Manitoba.

Mr. Speaker, those are the two major things that are contained in this Bill 14, and there are some other changes, as well. The last one, I think, is the minor change. There hasn't been any significant comment with regard to the removal of the benefits with regard to people who are incarcerated. That has not been a major issue.

There was one other issue which I said that I would — not an issue but an undertaking that I gave to indicate what the impact was of the former Succession Duty Act, although it's not in this bill. It was dealt with in November and December.

I indicated to the Member for St. Johns that I would distribute a sample case of how the Succession Duty Act that formerly was in operation was acting detrimentally and at cross-purposes, I would think, even to what the NDP would want it to do. Mind you, it's a minority of the cases but it's still a significant number of cases where people who inherit pensions, at a younger age in particular, find themselves in a position with the former succession duties of having to pay a substantial front-end sum to the government.

First of all, I referred in the Legislature on a previous occasion to a case where a widow was widowed at age 60 in 1975. This will give you an idea of the estate and what happened to her estate. The present value of the future pension benefits . . . Now, she inherited in 1975. Her husband had provided well by way of a pension through one of the normal pension schemes, through the Teachers' Retirement Allowance Fund, plus a private pension. She had a total possible pension income somewhere a little over \$2,000 a month. I think it was around \$2,300.00.

Anyway, the way the former Act worked under the former government, what happened was that you took a present value, using a discounting rate of 5 percent, which was an unrealistically low rate, I think by anybody's standards. You would have to admit that 5 percent is hardly a going interest rate, and hasn't been in the last three or four years. Perhaps closer to ten would be more realistic. As a matter of fact the government recognized that where a party was caught as a result of owing the government money, if they couldn't pay it they could amortize it and pay it over a period of time. But they, having used 5 percent to discount the thing to determine how much the widow owed the government, they then turned around and charged her 9 percent interest if she couldn't pay it off right away. Now, that's real logic.

So in this particular case the present value of the future benefits when they discount it at this 5 percent rate, was \$250,000.00. The share of the residence was worth \$24,000, her inherited half share was \$24,000.00. There was insurance that paid out \$44,000; there was cash, automobile and personal inheritance of \$11,000; so the aggregate value of the estate was \$329,000.00. She was allowed to bequest the children \$2,000 — a child. So the widow theoretically claimed, would have received \$327,000.00. She got an exemption of \$250,000 and it was taxable at a rate of 32.09 percent which brought it out to \$77,000 and the tax ended up that she was requested to pay to the government, and did pay — this is a hypothetical case — would have to have paid because the tax that she would have to pay was \$25,000 up front.

Now if she couldn't pay the tax, if she could say, "I haven't got the money. I'm going to have to pay over a period of time." The government said, "Fine, we'll amortize it but the interest charges are going to be 9 percent." That's having discounted her future benefits on her pension at a rate of 5. —(Interjection)—

Well, Mr. Speaker, let me finish. The other case which is a more drastic case: This is a 25-year old widow with four children. The death of her husband, September, 1975; one-half interest in the family home, \$30,000; car, valued at \$4,000; trailer, etc., and other inheritances, \$4,000; bank deposits totally \$4,000; and pension benefits of \$1,200 a month. Now the total assets are \$40,000 and the present value of the pension according to the former rules is \$266,000, a \$1,200 a month pension for a 25 year old woman. Now, that's hardly out of line when you consider — it may seem like a lot of money, it's \$14,000 a year — she has to bring up four kids and she has to say, how much is inflation going to be in the future?

But the government said, "Now, if we take the value of that over your expected lifetime span, then discount it at 5 percent only, that you are in fact inheriting \$266,000.00." The total aggregate net value of the estate turns out to be \$306,000 and she is asked, as a result of that, to pay a tax of \$17,300 up front now, and she hasn't got it. All she's got is, she's inherited a house, it's in joint ownership presumably, it's a \$60,000 house I presume because she's assessed \$30,000, or would have been under the former law, and a car valued as I say at \$4,000 and others at \$4,000, bank deposits at \$4,000, and a very good pension plan where she would have received \$1,200 a month. And there is the odd person who does this; they load up on pension plans.

At any rate, this shows you what was happening or could happen in these two cases where the former succession duties were not hitting the people that they were intended to hit, which are the wealthy people who are presumably in the majority, but the little people that got caught by this sort of ridiculous nonsense that went on of applying that harsh succession duty rules to people who were picked up in the net of the whole thing, regardless of whether they deserved to be or not. And certainly I don't think it was the intention of the former government to design their death taxes to do that sort of thing. But it was doing that sort of thing. It was capable of doing that sort of thing.

The person who happened to be a good provider for his family, had very little capital but had provided a very good pension plan for himself, perhaps because he was doubtful of his own life span and wanted to provide for his family in the event of his death, then in the event of that death occurring was hit with this sort of thing.

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

**MR. CHERNIACK:** Mr. Speaker, I thank the Honourable Minister for permitting a question. Since his criticism of the succession duty formula relates only to the 5 percent figure for discounting, could he firstly give an indication of what it would have been had it been a 9 percent discounting — I'm sure it would be considerably less — and would he also want to take the position that in each of the two cases there was a hardship; and if he takes the position there was a hardship he'll have difficulty in the first case because there was \$44,000 in cash and a \$25,000 liability; but if there's a hardship in the second case would he not say that that could well be dealt with under the Financial Administration Act as a cancellation of the debt?

**MR. CRAIK:** I think, Mr. Speaker, in essence what the Member for St. Johns has sketched here is the complexity, he's illustrated the complexity of a system where you are trying to work your way out, the government is trying to work itself way out of a condition that it put itself and the taxpayer in that they should not have been in, and that's essentially what's happened. That's the key to it certainly. The nub of the argument is the fact that in these cases that the government in any person's language has no business telling a person who is trying to provide for his family, at either a young age or an old age or a middle age, has no business getting interfered. The Member for St. Johns says, "Yes, but you have a hardship clause that you can invoke under the Financial Administration Act," and he's right, then it becomes very discretionary. Then it becomes the Minister of Finance going in and saying, "Yes, I think that that is the case that there is undue hardship here." But then it's a very subjective decision. You're really coming back to the Cabinet — those 15 people sitting around a Cabinet table — saying, "Yes, I think we're taking too much money away from that widow," because we're going to impair.

But, Mr. Speaker, you could say that about almost any case that you had. Who knows what the inflation rate is going to be next year or the year after that? Who's going to crystal-ball 10 years down the line? How do you know that even this first case that I indicated here, where it's a widow aged 60, is not going to be in hardship by the time she's 75? If she wants to live in her own home, she may well be even in that case, in hardship by the time she's 75. I don't know. I'm not saying she's going to be.

But I don't think the government has the right to be passing judgment on a subjective basis as to whether somebody in this fringe area is well off or not well off, because you just don't know enough about what's going to happen in the future. But, you're saying that you know more as a government about the inflation rates and family affairs than the man or the woman who provides for his or her family.

Mr. Speaker, this is the application of cases of the former, the old now long gone and dead Succession Duty Act, to conditions where I don't think it was intended to apply, it wasn't designed for that purpose but nevertheless it did, but even when it was known that it was unfair, nothing was changed. You take the money away on a discount rate of 5 percent; you give it back to them at a rate of 9 percent. Now that's illustration enough of the contradiction even that was in that legislation.

I don't know what this case would have been if you discount it at 9 percent, Mr. Speaker, you'd have to run it through the calculators. The fact of the matter is though that it didn't exist, it existed at 5 percent. The discount rate was 5 percent and they charged back 9 percent. It's long gone and dead and it's history now, and it's not part of this bill, Mr. Speaker, although we spent a great deal of time talking about it.

I'll have these two examples distributed to members who might be interested, Mr. Speaker. I know the Member for St. Johns is very interested.

Mr. Speaker, I haven't dealt with the comments by the Member for Fort Rouge, although he did have a number. I think that the other big feature that's in this bill, of course and the biggest

feature from a tax point of view is the sales tax reduction. There have been of course a number of comments by it.

I wasn't here when the Member for Fort Rouge made his comments but I gathered that his argument was that we should have bargained a little differently with the Federal Government with regard to the sales tax arrangements. Well, all I can say is it's again going to be interesting to see whether, for once in this Session, the Member for Fort Rouge decides to support a government measure. A government measure that:

1. Brings the personal income taxes somewhat into line with the rest of Canada. It still leaves us the fourth highest which was lauded, Mr. Speaker, lauded by the Minister of Finance a year ago because he made a move to make us the fourth highest.

2. See whether he's going to support a shift in corporation tax which puts an emphasis on big business and takes a little of the emphasis off small business, which is the mosaic of Manitoba corporations in our all important industrial sector.

3. A third major point, Mr. Speaker, and really the biggest one is the sales tax reduction from 5 percent to 2 percent undertaken jointly by the Federal and Provincial governments with us — as the Provincial government — supplying one-third of the cost at roughly \$21 million; and the Federal Government putting up the balance or two-thirds at \$40 million.

Mr. Speaker, it's going to be rather interesting to see if the Member for Fort Rouge is going to vote against the initiative of his friends in Ottawa, and vote against the two measures that I thought would even have recommended themselves to the New Democratic Party, namely, bringing our income tax structure on a personal basis a little more into line and shifting the corporate tax structure off the small onto the big because that's basically what the strategy is that's coming from the government.

I distributed the tables that do the comparisons, Mr. Speaker, of all the taxes and you'll see that if you look across the board — it might be worth putting on the record — I did the personal income tax, corporation income tax, the large and the small, the corporation capital tax is not in this bill but was dealt with earlier.

A lot of the problems, I must advise the former Minister of Finance, have been removed by changing the limits that he must have been encountering when he was the Minister of Finance, on the capital tax by changing the limits and reducing the number of those exposed to the taxes, some 1,500.

And the succession duties. There's only two provinces left with succession duties, or death taxes. That's in the information here. There's only two provinces now that have a gift tax. And then of course all the other taxes are listed here: gasoline, diesel, retail sales tax, amusement, cigarettes and so on.

Well, as you go down, Mr. Speaker, you will find that Manitoba, even under this new administration, is not really giving away a lot of tax position to rich people and large impersonal corporations; and that has to be underscored, Mr. Speaker, although I expect the people across the way realize that they're not going to acknowledge it. They have to vote against this bill, I presume, from listening to them because they want to be able to go into the community and maintain the storm of activity that builds up the illusion that somehow the current government is attempting to assist the big and take away from the small, when in fact, Mr. Speaker, what this Act does if you balance and boil it all out, there are more moves in this particular Act that help the little person than there is that help the big person. That is the essence of the Act.

This is second reading. I am surprised at the reaction across the way to this bill. I fully expected that there may at least be a split vote across the way on the matter of principle on Bill 14. I gather from the remarks that they are bent on playing their economic class warfare and they have to prove some illusion, so they are going to vote against it. I will be interested, though, to see in particular what the ubiquitous member for Fort Rouge does on this particular vote, Mr. Speaker.

**QUESTION put, MOTION declared carried.**

**MR. PETER FOX:** Yeas and Nays, Mr. Speaker.

**MR. SPEAKER:** Call in the members. Order please. The vote is on Bill No. 14, An Act to Amend the Income Tax Act (Manitoba).

**A STANDING VOTE** was taken, the result being as follows:

**YEAS:** Messrs. Anderson, Banman, Blake, Brown, Cosens, Craik, Domino, Driedger, Einerson, Enns, Ferguson, Galbraith, Gourlay, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McGill, McKenzie, Mercier, Minaker, Orchard, Ransom, Sherman, Spivak,

**NAYS:** Adam, Barrow, Boyce, Cherniack, Corrin, Cowan, Evans, Fox, Green, Hanuschak, Jenkins, McBryde, Malinowski, Miller, Parasiuk, Pawley, Schreyer, Uskiw, Walding.

**MR. CLERK:** Yeas 27, Nays 19.

**MR. SPEAKER:** I declare the motion carried.  
The Honourable Government House Leader.

**MR. JORGENSEN:** Will you call the remainder of the bills in the order in which they appear on the Order Paper.

**MR. SPEAKER:** Bill No. 25, The Cattle Producers Association Act — the Honourable Member for Ste. Rose.

**MR. A.R. PETE ADAM:** Stand, Mr. Speaker.

**MR. SPEAKER:** Bill No. 26, The Statute Law Amendment (Taxation) Act (1978).

**MR. CHERNIACK:** Stand please, Mr. Speaker.

**MR. SPEAKER:** Bill No. 29, The Commodity Futures Act — the Honourable Member for Kildonan.

**MR. FOX:** Stand, Mr. Speaker.

**MR. USKIW:** I am wondering we could just set this aside until the afternoon. I am prepared to deal with it today, if we are still in the House. But I am not ready at the moment. Call it this afternoon if we are back in the House.

**MR. SPEAKER:** On a point of order?

**MR. USKIW:** Yes, I am just merely making a suggestion that we might be able to deal with this later today if you would not call it at the present time.

**MR. JORGENSEN:** Mr. Speaker, that's, of course, providing that the House is not in Committee of Supply. Would you just continue to call the bills, Mr. Speaker.

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

**MR. GREEN:** Yes, on a point of order, Mr. Speaker, can we take it that 29 has not been called yet, so that we are not in the position of not being able to call this afternoon.

**MR. JORGENSEN:** Very well.

**MR. SPEAKER:** Bill No. 31, An Act to amend The Personal Property Security Act — the Honourable Member for Kildonan.

**MR. FOX:** Stand, Mr. Speaker.

**MR. SPEAKER:** Bill No. 36, An Act to amend The Highway Traffic Act — the Honourable Member for Ste. Rose.

**MR. ADAM:** Stand, Mr. Speaker.

**MR. SPEAKER:** Bill No. 38, The Marital Property Act — the Honourable Member for Inkster.

**MR. GREEN:** Stand, Mr. Speaker.

**MR. SPEAKER:** Bill No. 39, The Family Maintenance Act — the Honourable Minister of Health.

**HON. L.R. (Bud) SHERMAN:** Thank you, Mr. Speaker. Stand please.

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

**MR. JORGENSEN:** *Mr. Speaker, I move, seconded by. . .*

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

**MR. GREEN:** *Yes, Mr. Speaker. I wonder whether the Honourable House Leader would consider it of some value to call it 12:30 so that we have some progress on Bill No. 29 this afternoon. There is just 12-½ minutes that you lose. The Member for Lac du Bonnet will undertake to be here at 2:30 and speak on Bill No. 29, if we call it 12:30 now. Then you have progress on a bill.*

**MR. JORGENSEN:** *Well, Mr. Speaker, if that procedure receives the unanimous consent of the House then we can do so. We will adjourn then until 2:30 this afternoon, if that proposal meets with the approval of the House.*

**MR. SPEAKER:** *Before I leave the Chair I want to bring to the attention of the members of the Rules Committee that we can review the test filming that was done this morning in Room 68. The hour being 12:30, I am leaving the Chair to return at 2:30 o'clock.*