

TIME: 10:00 a.m.

OPENING PRAYER by Mr. Speaker

MR. SPEAKER, Honourable Peter Fox (Kildonan): Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Labour.

HONOURABLE RUSSELL PAULLEY (Transcona): Mr. Speaker, it has been my custom that while the House is in session when I receive the information on unemployment that I table the report and make a Ministerial Statement.

Mr. Speaker, the actual unemployment rate in Canada in May of this year was 7.7 percent, which is an improvement over April. Manitoba's actual unemployment rate in May was 5.2 percent, a decrease from the 6.8 percent of April. But at the same time I must announce that it is considerably higher than it was in May of 1976 when the rate was 3.8 percent.

Manitoba's rate remained the third lowest among the provinces behind Saskatchewan and Alberta. On a seasonally adjusted basis Manitoba's rate decreased from to 6.1 percent from 6.7 percent, and a year ago the seasonally adjusted rate was 4.8 percent.

In terms of numbers of unemployed as between April and May of this year Manitoba's numbers of unemployed decreased by 7,000 to 24,000 and it was 17,000 a year ago. At the same time as our number of unemployed was being reduced, Mr. Speaker, Manitoba's labour force increased by 6,000 in May of this year to become 460,000 which is 11,000 greater than the labour force was a year ago.

So I would say, Mr. Speaker, that while we are still not happy with the total picture, of course, I want to indicate to honourable members that the figures that I have just given do not reflect the results of the Job Creation Program as yet because the statistics I have given to you were compiled as of about May 21st, just as our program was going into being geared up.

It is interesting to note, Mr. Speaker, that Manitoba's percentage figures are about 2.5 lower than the average for Canada. And I would suggest, Mr. Speaker, that we will have to really wait until the figures come in and the statistical report for June figures come in before we will be in a position to make a real assessment of the Job Creation input as a result of our policies and our programs.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN: Mr. Speaker, we of course welcome the slight improvement in the unemployment picture for Manitoba as just reported to the House by the Minister of Labour. On the face of it the monthly figure looks like an improvement, but the fact of course is, Sir, and presumably the Minister will acknowledge it and has acknowledged it in his remarks, that the basic problem is still there. While the unemployment rates for Manitoba are down slightly from last month on both an adjusted and an unadjusted basis the year to year change, Sir, reflects a considerable increase in the unemployment rate. It's a rate of increase that comes to 41.9 percent according to our figures based on Statistics Canada information available as of this date.

Our unemployment rate on a seasonally adjusted basis in May, 1976, was 4.3 percent, today it's 6.1 percent. That reflects a change, as I've suggested, upwards of 41.9 percent. This is a rate of increase that exceeds that of any of the western provinces and also exceeds the rate for Canada as a whole.

The most serious aspect, and the Minister has alluded to this, is in the 15 to 24-year old age group. Student unemployment is at a critical high and remains at a critical high in Manitoba as it does in Canada generally. The implications, of course, for our young people are obvious and that is a particular aspect to which the government and all members of the House, but particularly those responsible for government, must be addressing themselves. A particular aspect with which they must be urgently concerned. Sir, seasonally adjusted some 28,000 Manitobans remain in search of employment — for the month of May, this is the second highest on record in the past 12 years. The unemployment rates and the total for May have only been greater once in the past 12 years in Manitoba and that, I believe, was in the year 1970.

The job creation picture remains as bleak as it has been in the past few months when we have been discussing this issue in this Chamber. Once again, Manitoba's record and Manitoba's position in job creation ratio vis-a-vis other western provinces puts this province at the bottom of the list by a substantial margin and puts us well below . . . —(Interjection)— No, the western provinces, Sir. The job creation ratio for Manitoba is the lowest of all four western provinces, including British Columbia, and puts us substantially below the national figure too.

So, taking all those factors into account there's little consolation or satisfaction that can be derived from the Minister's announcement except, as I say, we welcome any improvement and there is a slight fractional improvement on a month-to-month basis.

The Minister has said in the past that the effects of the provincial budget and the changes in the budget were not reflected, had not had time to be reflected in the employment situation and job creation situation in the province. We are wondering when he feels those effects will be felt, Sir. We're now looking at the month of May which is considerably beyond the budget date and we're wondering when he expects those budgetary changes to be reflected. The same question exists for the province's job creation program. So, Sir, the challenge remains for the Minister and for the government and the figures released today can give us little satisfaction.

MR. SPEAKER: Any other ministerial statements and tabling of reports? The Honourable House Leader.

BUSINESS OF THE HOUSE

HONOURABLE SIDNEY GREEN (Inkster): Mr. Speaker, just with regard to the proceedings of the House. We intend to stay in the House this morning until there is no work left to do in the House and then to concentrate on the Committee on Statutory Regulations with regard to the Family Law legislation.

Also, there is one bill apparently before Agricultural Committee in which a member of the public wishes to make representation. One person and I wonder whether the Agricultural Committee would accommodate us by sitting for that one presentation, let us say at 2:30 this afternoon, so that we would do it concurrently and not have anything else scheduled at that time. I believe it's the former member for Rhineland that wishes to make a presentation on one bill. They would not — (Interjection) — it's two people, well I thought it was one. Two people, but it would not mean that we would consider the material clause by clause, but just for those representations.

So we would proceed in that way, we would concentrate on Statutory Orders and Regulations in the Family Law legislation until that is through and then we would deal with the Agricultural legislation after that is concluded, but representations on the Agricultural Bill this afternoon at 2:30.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN: Mr. Speaker, this arrangement is satisfactory providing that the government members of that committee can get there so that we can form a quorum and have the hearings.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, we'll be happy to proceed provided that the Opposition members can get there and that therefore we will form a quorum.

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

MATTER OF URGENCY

MR. HARRY E. GRAHAM: Mr. Speaker, I beg to move, seconded by the Member for Morris, that this House do now adjourn to consider a definite matter of urgent public importance, namely, the incompetence, negligence and mismanagement of the Government of Manitoba in its failure to carry out one of the major responsibilities of government, the maintenance of proper and acceptable standards for the administration of justice, as evidenced by the revelations relating to former Judge Anthony Pilutik. Mr. Speaker, if I may, I would appreciate the opportunity to explain my reasoning.

MR. SPEAKER: I shall read the Motion and then give the members the opportunity as we have under our Rule 27 of having five minutes on each side of the House to explain.

MOTION presented.

MR. SPEAKER: The Honourable Member for Birtle-Russell, five minutes.

MR. GRAHAM: Thank you, Mr. Speaker. Sir, this is the first time that this Assembly has met since the revelations of the Law Society released to its members, on Friday afternoon last.

In the Law Society Report there must have been some information which prompted the Attorney-General to express his shock and concern at some of the statements of fact which were admitted to by Mr. Pilutik and his attorney.

MR. SPEAKER: Order please. I wonder if I may suggest to the honourable member he is debating the urgency of debate, not the subject matter.

MR. GRAHAM: Mr. Speaker, the urgency for debate, Sir, arises from the fact that it is only now that the Attorney-General is considering the possibility of further investigation and review of the evidence, evidence, Sir, which he himself, through his department, provided to the Law Society and which he now says may possibly be grounds for further action. Even though, on February 13, 1976, under questioning — and this is in Hansard on P/age 13 — where he is quoted as saying there is no basis for criminal proceedings; even though, Sir, as reported on Page 119 of Hansard on February 18th, and here a quotation: "A criminal investigation using wiretap equipment was a carried out by his department." Mr. Speaker, the question of urgency is important because the Attorney-General stated on Page 225 of Hansard on February 24rd last, "that only particulars of matters which would relate to Mr. Pilutik's membership in the Law Society, that would be relevant to that membership would be the

information that would be revealed to the Law Society."

Mr. Speaker, it is urgent that the Attorney-General provide us with the additional information which he is reported to have, and which he did not reveal to the Law Society. Mr. Speaker, the urgency lies in the concern for the remainder of the information which the Attorney-General had at that time. What has become of it? Has it been discarded? To what extent have witnesses been allowed to move out of the Province of Manitoba? Can the Attorney-General assure the House that all information . . .

MR. SPEAKER: Order, please. Again, I am going to ask the honourable members to discuss and debate the urgency of the procedure, not the urgency of the matter. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Can the Attorney-General assure the House that all information, both relevant and criminal in nature, is in fact still within the files of his department? And, can the Attorney-General assure the House that all witnesses can, indeed, be found if needed in any further investigation that he may contemplate? The urgency of this debate, Sir, lies in the fact that the people of Manitoba must be assured of proper conduct by the officers of the court, by the presiding officers of the court, and by the officers of the Attorney-General, who is charged for the responsibility for the proper administration of justice in this province.

The urgency of debate, Sir, arises from further evidence supplied by the CBC in its startling two-part series on organized crime which was only completed last evening; a two-hour program which took two years to complete. That program, Sir, will raise doubts in the minds of many Manitobans about the competency of our law enforcement investigative ability in the encouragement and support they receive from the Attorney-General and the Solicitor-General.

MR. SPEAKER: Order please.

MR. GRAHAM: The urgency of debate, Sir, lies in the fact that every avenue of debate has passed in the dying days of this session and we cannot afford to leave this Chamber without a clear assurance for all the people of Manitoba that the administration of justice is being carried out in this province in a proper manner by the offices of the Attorney-General and by the courts of this province, so that all Manitobans can be assured a fair and equitable treatment before the courts of this land.

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY (Selkirk): Mr. Speaker, it's rather obvious, I think, that we're close to the end of the session. The Honourable Member for Birtle-Russell is obviously so desperate in the final two or three days of the session to obtain some news media coverage that he's latched onto this particular issue.

Mr. Speaker, first, insofar as the suggestion of urgency . . . I don't know what more can be done within the administration of criminal system than what has already been done. Mr. Speaker, it was some time in June 1975 that there was a criminal investigation then launched . . . a criminal investigation launched involving the Winnipeg City Police and the Royal Canadian Mounted Police. A very thorough investigation was used, authorized by my department. This investigation continued for a number of months, using . . .

MR. SPEAKER: Order please. I would suggest to the Honourable Attorney-General the same thing. We are discussing procedure — I reminded the Honourable Member for Birtle-Russell and I'm doing the same for the Honourable Attorney-General — urgency of procedure of debate.

MR. PAWLEY: Mr. Speaker, if I could speak to your point of order. My impression was that the Honourable Member for Birtle-Russell was implying that there were things that were left undone in respect to the possibility of criminal charges, which I believe goes to the very nub of the honourable member's suggestion that there is urgency. I would like to just, if I could, Mr. Speaker, with your approval speaking directly to that point, again proceed to point out that all the evidence that was obtained by way of those investigations, were carefully, very carefully analyzed by senior members, not only in my department but, because of the very delicacy of the matter were given to a special prosecutor in the name of Mr. Ken Regier who himself was a Crown Attorney at one time within the Department of the Attorney-General and he was involved, also, in analyzing all the material that was brought forward. As a result of that, Mr. Speaker, the advice was that there was no basis for criminal charges.

Now, Mr. Speaker, the honourable member suggests that suddenly there is some sort of urgency, but the very reference to criminal action or lack of basis for criminal action, is confirmed by the very report that he makes reference to and uses as his basis for suggesting that there is urgency. The report that the honourable member makes reference to . . .

MR. SPEAKER: Order please.

MR. PAWLEY: . . . the memorandum of the Law Society, states, and I assume that some 15 to 20 senior members of the Manitoba Bar were gathered together in preparation of that memorandum, indicate that they found nothing on the part of Judge Pilutik that in their view was dishonest or criminal. Nothing that they found to be dishonest or criminal. So that, in fact, the very memorandum

Tuesday, June 14, 1977

that the honourable member uses in his debate this morning to suggest urgency blows directly in his face in the suggestion that the police or my department handled this entire matter badly. It confirms the very conclusions that were arrived at by our department insofar as whether or not there was basis for precedence.

The honourable member refers to reference on my part that two items should be reviewed. Let me say to the honourable member that if I had done anything else but to suggest a review of the Law Society memorandum, which I must say, Mr. Speaker, I was disappointed not to have some opportunity to peruse and to analyze prior to its receipt by so many other people who had it in advance of myself, I did what I thought was wise. I continue to say it is wise and in fact, the very opposite to the suggestion by the honourable member, I think to have done anything else would have been incompetent.

I indicated that memorandum would be taken by me, would be handed to senior people in the department, the specific allegations would be reviewed to satisfy ourselves again that there was no new information in that report, because my recollection was that there were references which were new to me, that those would be reviewed in order to satisfy ourselves that there was no further basis for a criminal investigations. That is presently under way. But the very memorandum that the honourable member relies upon states, twenty senior members from the Manitoba Bar that they discovered nothing of a dishonest or a criminal nature on the part of former Judge Pilutik's actions.

MR. SPEAKER: Order please.

MR. PAWLEY: And I want to say just in conclusion, Mr. Speaker, that insofar as all the other matters pertaining to references to court parties, that is presently under review and I notice already that sharp denials have been issued by the Royal Canadian Mounted Police and to Chief Judge Gyles in respect to certain of those allegations. I regret very much that those allegations were made without a thorough investigation of those particular allegations by the Law Society.

MR. SPEAKER: I thank the honourable members for their contribution in respect to procedures in setting aside our normal Business of the House in order to debate this matter.

I have to inform the House also that there is another resolution almost exactly the same in content by another member of this House, the Honourable Member for Portage la Prairie, and I wish to deal with both of them at the same time. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I believe you have to deal with the substantive motion and if it's dealt with, then another such motion cannot be put.

SPEAKER'S RULING

MR. SPEAKER: Very well. It covers the same ground either way. Nevertheless, in respect to urgency of debate which is what I asked the honourable members to debate, which our procedures call for, under normal procedures I would have said that this matter is definitely out of order because urgencies did not appear to be the essence of the motion. Although by resolution of this House it has gone into Special Procedures, nevertheless under our Orders of the Day there is a motion before the House which goes into Committee of the Whole which includes an area of debate with the Attorney-General's Estimates and also any other matters pertaining to it can be discussed. So therefore, I say under normal procedures or under our special procedures at the present time, there is ample opportunity for debate and therefore I have to rule this matter out of order.

Questions.

MATTER OF URGENCY

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON: Mr. Speaker, I move, seconded by the Member for Assiniboia that the House do now adjourn to discuss a matter of urgent public importance, namely the mishandling of the Pilutik affair by the Attorney-General of Manitoba:

WHEREAS it was known by the former Attorney-General Mackling that former Judge Pilutik, "was not measuring up to accepted standards as a member of the judiciary as far back as 1973."

AND WHEREAS former Attorney-General Mackling stated that the present Attorney-General "was knowledgeable about this;"

AND WHEREAS the Attorney-General's department supplied the Law Society of Manitoba with the information which led to the Law Society of Manitoba to suspend Mr. Pilutik from the practice of law for 30 months;

AND WHEREAS there appears to have been some form of participation with former Judge Pilutik, members of the RCMP, court officials and officials of the Attorney-General's Department in engaging in unacceptable behaviour in public, if not acts which contravene the law;

AND WHEREAS the Attorney-General's estimates have been passed, the Budget and Throne Speech debates have been concluded; this motion appears to be the only method by which this

Assembly can discuss this important matter.

SPEAKER'S RULING

MR. SPEAKER: The Chair has already indicated, in respect to this matter, although the Honourable House Leader indicated it would have to be dealt with as a separate matter I had wished to include it, but since procedure was asked for to go the reverse route, I have no objection to using it twice on the floor, but it cannot be debated again since I have already ruled. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, on a point of order. I wish to have my motion dealt with.

MR. SPEAKER: The motion was dealt with, and I dealt with the motion of the Honourable Member for Birtle-Russell. The matter before the House, that the Honourable Member for Portage la Prairie placed, is exactly substantially the same as the one that the Honourable Member for Birtle-Russell placed, and since I gave a ruling on that I am giving the same ruling on your motion. May we proceed? The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I challenge your ruling.

MR. SPEAKER: The Honourable Member for Portage la Prairie challenges the Ruling of the Chair. Shall the ruling of the Chair be sustained? All those in favour say "aye". Against say "nay". In my opinion the ayes have it, I declare the Motion carried.

MR. G. JOHNSTON: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Does the honourable member have support? He does. The Motion before the House is shall the Ruling of the Chair be sustained.

A STANDING VOTE was taken the result being as follows:

YEAS: Adam, Banman, Barrow, Bilton, Bostrom, Boyce, Brown, Burtniak, Cherniack, Derewianchuk, Desjardins, Dillen, Doern, Einarson, Enns, Evans, Ferguson, Gottfried, Graham, Green, Henderson, Jenkins, Johannson, F. Johnston, Jorgenson, Lyon, McBryde, McGill, McGregor, McKenzie, Malinowski, Miller, Minaker, Osland, Paulley, Pawley, Petursson, Schreyer, Sherman, Spivak, Steen, Toupin, Turnbull, Uruski, Uskiw, Walding, Wilson.

NAYS: Axworthy, G. Johnston, Patrick.

MR. CLERK: Yeas 47, Nays 3.

MR. CHAIRMAN: In my opinion the Ayes have it, I declare the Motion carried.

ORAL QUESTIONS

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

MR. STERLING R. LYON (Souris-Killarney): Mr. Speaker, a question to the First Minister, as Minister in charge of Hydro. I wonder if the First Minister is now in a position to provide the status report with respect to all Hydro and fossil fuel generating plants in Manitoba?

MR. SPEAKER: The Honourable First Minister.

HONOURABLE EDWARD SCHREYER, Premier (Rossmere): Well, Mr. Speaker, I have asked that be prepared and expect that to be available today — unfortunately it wasn't available as of ten o'clock. In the event it is available later today I will circulate it, and if it isn't today I will ensure that it is available for tomorrow.

MR. LYON: Mr. Speaker, a further question to the First Minister. Can the First Minister confirm whether or not Manitoba Hydro have engaged the services of a consultant to advise them as to why the Lake Winnipeg Regulation structure is not performing in the way that it was anticipated?

MR. SCHREYER: Mr. Speaker, I am not aware of that at all, nor am I aware that the premise on which that question is based is accepted by Hydro as being so.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS: Mr. Speaker, I direct a question to the First Minister in the same capacity. Can he confirm or deny that the renegotiated contract with Flanders with respect to installation at the Jenpeg site of the generators, the original contract having been called for some \$3.6 million, now has been renegotiated at some \$17 million?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Negative, Mr. Speaker, there is no renegotiation going on as between Manitoba Hydro and Flanders. There is some dispute as had been acknowledged in this House a couple of weeks ago, a dispute as between Flanders and the Russian suppliers, but Hydro is not a direct party to that dispute, and in any case the dispute has not been described to me as being anywhere near that amount of money.

For additional information for my honourable friend there is some renegotiation going on with respect to Flanders, but it has not to do with the Jenpeg installation, but rather the Canadian General

Electric-flanders work going on at Long Spruce, which is a different matter entirely.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK: Mr. Speaker, my question is to the Attorney-General. Has the Attorney-General's department investigated the alleged laundering of illegal money by organized crime in Manitoba?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, the Royal Canadian Mounted Police and the City of Winnipeg Police are constantly investigating crime in Manitoba and are periodically providing to me and my department, reports.

MR. SPIVAK: Is the Attorney-General in a position to confirm that organized crime are, in fact, laundering money, illegal money, in Manitoba?

MR. PAWLEY: Mr. Speaker, that is possible. There has been no advice to me to that effect as of yet. Anything is possible, but I have not received any information from either the City of Winnipeg Police or the Royal Canadian Mounted Police to that effect.

MR. SPIVAK: Yes, to the Attorney-General. Has the Attorney-General on any occasion during his ministry as Attorney-General asked or requested information to determine whether, in fact, there has been the laundering of illegal money by organized crime in Manitoba?

MR. PAWLEY: Mr. Speaker, at various times I've enquired as to the existence of organized crime and the Mafia faction in the province of Manitoba. At various times I've asked in respect to all its facets.

MR. SPEAKER: The Honourable Member for River Heights. Final question.

MR. SPIVAK: I wonder if the Attorney-General is in a position to report whether in fact organized crime is using or has used Manitoba as a situs for illegal activity, particularly related for activity that's outside of the province not for within the confines of the jurisdiction of Manitoba.

MR. PAWLEY: Mr. Speaker, as I indicated I have received no reports to that effect. As soon as the House is out of session and in view of the public interest that has been generated by the subject matter of the CBC program, it is my intention to meet again with Norman Chief Norman Stewart, the City of Winnipeg Police; Deputy Commissioner Wardrope of the RCMP again to review this entire matter.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, on the same subject to the Attorney-General. In view of the statements made by Dr. Shulman, the former member of the Legislature in the Province of Ontario, that there is such activity going on in the province, would the Attorney-General be prepared to request Dr. Shulman to come to Manitoba and testify under oath as to information that he may have?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, let me say that all that Dr. Shulman should do as a citizen of Canada, if he has any information along these lines he should be attending at the offices of the Chief of the City of Winnipeg Police or at the offices of the Mounted Police and provide them with that information, as a law-abiding citizen.

MR. AXWORTHY: Mr. Speaker, the Attorney-General as the Chief Law Officer of the province, is he still prepared to communicate his concern to Dr. Shulman and invite him to the province so that he may have the opportunity to transmit any information he has and if not would the Attorney-General be prepared to subpoena him and ask him to come to Manitoba to pass on such information?

MR. PAWLEY: Mr. Speaker, again let me repeat that if any citizen has information pertaining to organized crime, any of its activities in the Province of Manitoba, they should immediately provide the proper investigative forces with that information. I'd be surprised if the police are not making arrangements to see anyone that has aired such information in a public way that they have that information to obtain from them the basis of their allegations right now.

MR. AXWORTHY: Well, Mr. Speaker, does the Attorney-General not consider it his responsibility as the chief law officer, when a citizen of this country has made such a statement concerning happenings in Manitoba, that he would undertake to ensure that that information was passed and provide whatever guarantees or whatever may be necessary in order that Dr. Shulman would feel free to come to Manitoba and say here what he knows?

MR. PAWLEY: Mr. Speaker, I heard Dr. Shulman too and I don't think that his comments should be misinterpreted by the Honourable Member for Fort Rouge. It was his accusation that certain activities were occurring, re laundering of money. I also heard him say very clearly in the program that, to his knowledge, Winnipeg was a "a clean City", and he went further to say that the activities that he was referring to were not illegal. Again, as I answered the question from the Honourable Member for River Heights, we will be meeting with the appropriate police heads and we will be discussing all the allegations Dr. Shulman, the CBC program, any information that they have in connection with organized crime in the Province of Manitoba, including that of Dr. Shulman. But I heard Dr. Shulman's comments and he referred only to the laundering, the laundering of moneys,

mafia-like moneys.

MR. SPEAKER: The Honourable Member for Fort Rouge. Final question.

MR. AXWORTHY: Well, Mr. Speaker, I wonder if the Attorney-General in his last statement could explain to the House how he defines the fact that money that is being laundered by criminal elements is not an illegal activity and whether he in fact is prepared to define the fact that Winnipeg is a clean city is because of the fact that it is being laundered so well.

MR. SPEAKER: Order please. The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I think the Honourable Member for Fort Rouge should make some appropriate representations to the Minister of Justice in Ottawa, as I intend to do, to ensure that there is some tightening up in respect to these areas right across Canada.

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have some 26 students of the Haywood School, of Grades 5 and 6 standing, under the direction of Mr. Dupasquier. This school is located in the constituency of the Honourable Member for Morris. On behalf of the honourable members we welcome you here.

The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Thank you very much, Mr. Speaker. My question is for the Attorney-General and it relates to the question raised by the Member for River Heights and Fort Rouge. I would like to ask the Attorney-General if it is correct that Dr. Shulman stated in his radio interviews that the dirty money was being laundered in Winnipeg by some very prominent lawyers?

MR. SPEAKER: The Honourable Attorney-General.

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

MR. ADAM: Yes. Since the Member for River Heights and the Member for Fort Rouge are so desirous on blaming the Attorney-General, Mr. Speaker, I would like to ask the Attorney-General if he intends to institute a thorough investigation of these prominent Winnipeg probably conservative lawyers getting rich on dirty, crime-produced money into nice, clean, free-enterprise money.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, my answer relates back to the answer to the question from the Honourable Member for River Heights. If there is any evidence of illegal activity, illegal activity under the provisions of the Criminal Code of Canada, then that activity will be investigated and will be dealt with, and I am sure the same is being done right now by the appropriate law enforcement officers in the Province of Manitoba. I've a great deal of confidence in the law enforcement agencies in the Province of Manitoba and I regret sometimes that this type of debate and comment that ensued this morning seems to imply incompetence on their part, which is not the case.

MR. ADAM: Mr. Speaker, again a question to the Attorney-General. I would like to ask him if it is correct that Mr. Arpin has made a report on crime in the province during the 1960s.

MR. PAWLEY: Yes a report was submitted to the department, I believe, in the time of Stewart McLean or the Honourable Leader of the Opposition when they were Attorneys-General.

MR. SPEAK SPEAKER: The Honourable Member for Ste. Rose. Final question.

MR. ADAM: Mr. Speaker, my last final question is to the Attorney-General. I would like to ask him if it's correct that during most of the time during the 1960s that the Attorney-General of this province was the Honourable Sterling Lyon and the Honourable Stewart McLean?

MR. SPEAKER: Public knowledge.

The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you Mr. Speaker. Mr. Speaker, I also have a question for the Attorney-General. I would like to ask the Attorney-General if he, at any time during his term of office, has received information of illegal activities going on in the Province of Manitoba and has not acted on the information that has come to his attention?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I cannot recall any such instances. If the honourable member has such information then he should disclose that information.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, a second question to the Attorney-General. On any information he has received, has he always used the offices of the Winnipeg Police or the RCMP to carry out his investigations?

MR. PAWLEY: Mr. Speaker, the practice is' if there is any activity which relates to criminal activity or activity which requires investigation, then that is undertaken by the appropriate law enforcement agency.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. Last week I believe he indicated that he would table in the House the guidelines with respect to wiretapping that his department had prepared as a result of the investigation and study of the wire tapping used in the

Pilutik matter. I wonder if he is in a position to indicate whether he is prepared to do that before the session is completed; and secondly, whether his comments with respect to changes in the wiretapping procedures that he has proposed for the Federal Government or indicated support to the Federal Government, come about as a result of this inquiry and investigation.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, the guidelines that I referred to last week are in process of being put together. The staff is presently working on those guidelines and I expect to be in a position to table them. If I do not table them in this House I will make sure that the Honourable Member for River Heights receives same. But the instruction has been to put them all together.

Insofar as the question of legislation pertaining to wiretapping, which is federal legislation, at various times there have been discussions with the Minister of Justice. We'll be having another Attorneys-General conference prior to the end of June, I expect that this, among other items, will be discussed.

MR. SPIVAK: Well, the Attorney-General has already made some public comment with respect to the proposed legislation and I wonder whether that comment and the suggestions that he's made has come as a result of the study of the particular situation in which there were allegations of abuse, and in which the guidelines now have been prepared.

ORDERS OF THE DAY - ADJOURNED DEBATES ON SECOND READING

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if you would proceed with Bills No. 84 and 87, please.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, on a point of procedure to the House Leader. We realize it is entirely within his province to call the bills in whichever order he wishes. Can he give us the assurance that he will call Committee of the Whole House for a third reading on Bill No. 40, under which the Chairman of the House indicated this morning certain other matters could be debated that were not possible to be debated under the adjourned motion?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, I certainly will undertake that it's going to be called. We don't intend to prorogue without calling Bill No. 40. The reason that I am . . .

A MEMBER: Call it now.

MR. GREEN: No, Mr. Speaker, I don't undertake to call it now.

MR. SPEAKER: Bill No. 84. The Honourable House Leader.

MR. GREEN: Mr. Speaker, the reason that I am not calling it now is for the same reason I didn't call it on Friday. I want to get through with the other bills on the Order Paper which may have to go to Committee, and the honourable member knows that.

BILL NO. 84 - THE STATUTE LAW AMENDMENT (TAXATION) ACT (1977)(2).

MR. SPEAKER: Bill No. 84, proposed by the Honourable Minister of Finance. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Mr. Speaker, I adjourned this bill for the Honourable Leader of the Opposition.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, this is a bill that requires very little comment because some of the sections in it — all of the sections in it — could be telescoped into one section which would be, that The Succession Duty and Gift Tax Act be repealed. I am not one who believes that repetition necessarily improves the quality of an argument, but for the final time in this session I do believe that it should be stated, unequivocally in this House even though it will fall on deaf ears opposite, that that bill, the persistence of The Succession Duty and Gift Tax Act in Manitoba, the only province in western Canada now with that kind of legislation still in force, is working to the disadvantage of job creation; working to the disadvantage of the maintenance of our young people in Manitoba, because it puts Manitoba in a disadvantageous position in terms of the tax regime that the people of this province must bear because of the dubious honour they have, for a few months at least, of having an NDP government that is so tied by its dogma and its ideology that it must maintain this kind of legislation even in the face of what is happening in the rest of Canada.

So I merely say, Mr. Speaker, that the Succession Duty and Gift Tax legislation is no longer needed in Manitoba. The product from that legislation, in terms of taxation in the current fiscal year with the amendments that are now before us, is going to be much reduced. I believe the Minister of Finance made an estimate of something like three to four millions of dollars. I tell him, thousands of people across Manitoba will tell him, the economists will tell him, anyone will tell him who has any basic understanding of human nature and of economic common sense, that that kind of a product,

three to four millions of dollars, is causing the outflow of many many more millions of dollars of investment capital in this province to other places where it will not be taxed.

So I suggest again, the final way to the Minister of Finance that his budget has been deficient in this respect. We accept the improvements so far as they go in the legislation as it appears before us. We will vote for those improvements, but we suggest to him finally and unequivocally that there is no need for that kind of legislation in Manitoba today and that they would be doing a service, as indeed the Government of Saskatchewan did to the people of Saskatchewan, if they would repeal it, repeal it right away and let Manitoba be competitive again in its tax regime vis-a-vis this particular kind of nefarious extraction from estates.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Mr. Speaker, I also have a couple of comments to make on this bill.

I do believe that there is some apprehension on the part of the business community in respect to the legislation that still remains, and I'm not one that would agree that we should totally eliminate Estate Tax; but on the other hand I am first to admit that we have to live in a world of realism and not live in a world of isolation, and what's happening here is that we are living in isolation because the other provinces in western Canada have, up to the present time, totally eliminated or removed Estate Tax.

So, Mr. Speaker, I think it will be that much more difficult for the government and the Department of Industry and Commerce to attract any kind of business entrepreneur into Manitoba and to perhaps maintain a lot of the business community in here; because I'm sure that the Minister will agree, there has been some people on account of this single item, have moved out. I'm again saying that perhaps I would be the first one to agree there should be the same law in every province, and I know this is not the case in respect to this legislation. And for that reason, at least, we should try and be in uniformity with our sister provinces, say Saskatchewan and Alberta, and we are not. We are not at the present time.

So the other point that I would like to make, Mr. Speaker, is the amendments which provided a gift to a spouse cannot exceed \$6,000 in any one year — in any one year a gift of \$6,000 — as far as this bill is concerned. On the other hand I think it will provide that we are able to gift as much as \$5,000 per child to a maximum of \$25,000 in any one year — \$25,000.00. So in my opinion I think there is some inconsistency why . . . surely there should be at least an area that in any one year a person should be able to give to a spouse as much as to the rest of the family or the rest of the children. So to me it doesn't make sense. Perhaps the Minister when he is closing the bill may also explain how the limitation of \$6,000 will also be somewhat inconsistent with The Marital Property Act, too.

That's the only few points that I wish to raise with the Minister at the present time. I do want to state that the way the bill is it's a definite improvement over what we had before because it's increasing the exemptions and the gifting. But perhaps the Minister can explain when he closes debate, will it not be inconsistent with The Marital Property Act, this legislation? So, that is another area that I would like to see, so I would like the Minister to explain. That's the only reservation that I have to the bill, but I know it is an improvement over the legislation that is on the books at the present time.

MR. SPEAKER: The Honourable Minister of Finance will be closing debate. The Honourable Minister of Highways first?

MR. BURTONIAK: Just leave me.

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks): Mr. Speaker, I agree with the Leader of the Opposition that there is no further need to prolong this debate. Members have made their views known. I want to say to the Member for Assiniboia, with regard to the concern he expresses, that there is a \$6,000 which can be gifted to the wife as compared to \$5,000 to children, and he suggests that this is not in concert with or synchronized with the Marital Property Act. The fact is that within a person's lifetime they can indeed make a gift up to one-half of the assets accumulated during the terms of the marriage, and therefore, it isn't limited to the \$6,000.00. So, you don't have to die to make that gift, nor do you have to get a divorce, as has been suggested by some, but during the life of both parties if either spouse — I am assuming either spouse can do it — can make a gift totalling one-half of the accumulated assets of the marriage itself, and the \$6,000 is over and above that.

With regard to the Leader of the Opposition — I know his position on this, he has indicated it before I can only say to him the \$6,000.00. So, you don't have to die to make that gift, nor do you have to get a divorce, as has been suggested by some, but during the life of both parties if either spouse — I am assuming either spouse can do it — can make a gift totalling one-half of the accumulated assets of the marriage itself, and the \$6,000 is over and above that.

With regard to the Leader of the Opposition — I know his position on this, he has indicated it before — I can only say to him that Ontario still has this the Succession Duty Act, as a matter of fact at the recent Budget the Minister, Mr. Darcy McKeough, the Finance Minister of Ontario, indicated that it is their intention to maintain it for the present time. They feel that it is an equitable tax and they are not prepared to move out of it. So that two-thirds of Canadians are still living in provinces where there

is succession duty.

We feel that the alterations we have made in the Act are reasonable ones, they reflect the inflation that has occurred over the last couple of years and that, in fact, the succession duty is not imposing a great hardship, because in the final analysis it really affects very very few estates in Manitoba, particularly with the exemptions that are now in place, and although the Leader of the Opposition will pooh-pooh \$3 million to \$4 million, I am sure that if we were introducing something that was going to cost \$3 million or \$4 million they would talk about these great expenditures that the province is going to. So, that I am not prepared to just ignore the fact that there is \$3 million to \$4 million still flowing into the coffers of Manitoba, to pay for programs which are people programs and which are socially needed programs.

Mr. Speaker, with those few comments I am happy that this bill can now go to Committee.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 87, the Honourable Member for Gladstone.

MR. FERGUSON: Stand, Mr. Speaker.

BILL (NO. 49) - AN ACT TO AMEND THE LIQUOR CONTROL ACT.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, Bill No. 49.

MR. SPEAKER: Bill No. 49, The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Speaker, I shall be very brief in my comments regarding this bill, it has been around for some time. My only sentiments are, Mr. Speaker, regarding this legislation, 85 percent approximately of the people of Roblin constituency have urged me to support this bill that has been presented by the Honourable Member for La Verendrye. Eighty-five percent of the polls that were done in the Dauphin area, which include the constituency of the Minister of Highways, and the Member for Ste. Rose, have indicated that that type of support prevails in the Dauphin area, so, I think, that under this legislation when approximately 85 percent of the people urge their member to stand up and vote for a certain issue, that is what he should do. We are here to represent the people so that is my position on this legislation and that is how I will be supporting it, Mr. Speaker.

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

MR. GEORGE HENDERSON: Mr. Speaker, I was just waiting.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Mr. Speaker, I rise very briefly to support the bill because it is obvious that we can't hire enough Civil Service employees or correctional people to deal with the juvenile crime that is spreading within the community, and I feel that if 16, 15 and 14-year olds and 17-year olds are all drinking, by raising the age you at least are able to put it into one less particular situation where we will have . . . we know for a fact that if we raise the age to 19 we will have a law which will be very tough to administer, but at least then it will be morally the responsibility of the parents when their children are 15 and 16 to prohibit them from drinking because they will have a few more years in which to get into the habit.

It is terrible when schools, high schools in the city, are having a great deal of difficulty with students that go out to lunch and their nutrition is down because they are having a barley sandwich at the local pub rather than dealing with a proper meal that they should be having. I am one that is against government dictating to people, but at the same time we cannot afford the spiralling cost of correctional institutes and in my own area we are just saturated with government experiments and half-way houses which have all juvenile offenders in there, and the problems at the Manitoba Youth Centre are all related to alcohol.

The stabbings a couple of months ago in the Wolseley area were attributed to a juvenile who went off the deep end, who couldn't handle his liquor. The problem that the supervisors of these homes have when I charged them with lack of supervision is that they need more staff. I simply say to them, "Well what could you do if didn't have more staff?" He says, "Well we have got to slow down the drinking."

When you turn around and investigate the problems out at the Youth Centre, you know, it is amazing, here you have the staff people out there saying, "What can we do we no longer engage in personal searches and that and there is a drug and alcoholic problem what can we do when they are out on a pass and engage in drinking?" Well, here they are these people are let out on a pass and they are 17 or 16 years of age and they come back to the Youth Centre loaded with alcohol. It seems incredible to me, their privileges should be immediately revoked because the law of the land is 18. So I think by raising the drinking age to 19 we will be able to better control juvenile crime in this province.

MR. SPEAKER: The Honourable Member for Thompson.

MR. DILLEN: Mr. Speaker, I will be very brief in speaking to this bill. It seems to me that if you

Tuesday, June 14, 1977

follow the logical conclusion to what the members of the Opposition, at least some of them who are in support of this bill, that if you could carry prohibition to its fullest extent that you would completely eliminate the problem. Let me tell you that there is prohibition in some areas of the province

Let's go back, I stand to be corrected, it was a Conservative Government under John Diefenbaker who eliminated the interdiction of Indians that existed for hundreds of years, and I grew up and lived under that system of interdiction. The people that I lived with could not drink; they couldn't go into a hotel, they couldn't be in possession of liquor, and they were charged. But, I will tell you what else it did, it created and developed a flourishing bootlegging industry, and that is what the ultimate result of prohibition will create. While you think you are solving one problem by increasing the age limit on one hand, and by proceeding with the development of prohibition you will be creating an equally difficult problem on the other hand, because what will occur is a flourishing bootlegging industry. And it did flourish. You know, a bootlegger doesn't have the same sense of responsibility as those people who are involved in the distribution of alcohol in licensed premises. If a person came to a bootlegging area, to a bootlegger's home, if he was seventeen years old and he had enough money he could buy all that he could carry away. They didn't care.

Let me tell you that I tried to make a comparison in some areas of the western part of the world, where there is a difference in attitude. I happened to be in Mexico about three years ago, and I couldn't help but, you know, notice that almost every little store had one complete shelf with liquor, every little outlet of any description had liquor, beer and wine available. And you know, Mr. Speaker, when you would walk outside, and this was readily available, when you walk outside you would think that if liquor was this available that you would see people in various states of intoxication on the streets. Mr. Speaker, I was there for two full weeks and I only saw one native person, who I considered to be a resident of the city in which I was in, in an advanced state of intoxication. Only one person in two weeks. But I can tell you that all of the tourists who were there with me were in terrible states of intoxication almost 24 hours a day. You know, which gives you an example of how archaic our present laws continue to be. And if we increase that drinking age again, from 18 to 19, we are only contributing to a backward step into the archaic system that existed in this province for years.

You know, we are complimented today, by people who come here from other provinces, on the improvements that we have made in the drinking laws of this province. In some areas, in comparison to other provinces, there is nothing that compares with it. But we have a long ways to go in which to educate the people to their responsible attitude towards alcohol.

I gave you the example of Mexico, and that to me stood out so clear in my mind, that the people who lived there had learned to accept the wide-open sort of attitude towards the product, towards alcohol. But there are other parts of this province, Mr. Speaker, where prohibition continues to exist. I want to compare it to the wide-open attitude of Mexico, a city of about 800,000 people, the city that I was in. It may be less, may be 500,000, I am guessing at the population figures. I saw less people in advanced states of intoxication in that entire population than I would see in the City of Winnipeg at any time of the day. But let's carry it a little bit further.

In some areas of the province today, by local law, they have created prohibition by local option, and you know, I have been in those areas where they have accepted local option and have created prohibition in those areas, and there are more people who drink in those areas where there is prohibition than there is where it is wide open. —(Interjection)— If I was the Member for La Verendrye I would take a look, you know, at what is happening in other areas.

I grew up in an area where prohibition was in effect, where people were interdicted, I think is the word. They were unable to drink and there was more drinking under those circumstances than there was in the areas where people were allowed to drink. The more you prohibit, the more the attitude of the young people to do something daring and to experiment, the greater amount of prohibition, that is the result.

I don't think, in my own view, that there should be any age limit whatsoever. I think that there is a law right now that a family can go into a licensed restaurant and every member of the family, regardless of age, can drink. So you don't see whole families staggering out of a restaurant. Of course, I don't frequent restaurants that much, but you do not see a great number of families taking advantage even though that is available to them. But it is not prohibited.

So, Mr. Speaker, I am going to vote against, this law, against this amendment, and if I had the opportunity I would vote for the complete elimination of age limit whatsoever.

QUESTION put, MOTION lost.

MR. BOB BANMAN says, (La Verendrye): Yeas and Mr. Speaker.

MR. SPEAKER: Does the Honourable Member have support? Call in the Members.

MR. SPEAKER: Order please.

The Motion before the House is that of the Honourable Member for La Verendrye, Bill No. 49.

A STANDING VOTE was taken the result being as follows:

YEAS: Messrs. Banman, Bilton, Brown, Desjardins, Einarson, Enns, Ferguson, Graham,

Tuesday, June 14, 1977

Henderson, G. Johnston, F. Johnston, Jorgenson, Lyon, McGill, McGregor, McKenzie, Malinowski, Minaker, Patrick, Schreyer, Sherman, Steen, Wilson.

NAYS: Messrs. Adam, Axworthy, Barrow, Bostrom, Boyce, Burtniak, Cherniack, Derewianchuk, Dillen, Doern, Evans, Gottfried, Green, Jenkins, Johannson, McBryde, Miller, Osland, Paulley, Pawley, Petursson, Spivak, Toupin, Turnbull, Uruski, Uskiw, Walding.

MR. CLERK: Yeas 23, Nays 27.

MR. SPEAKER: In my opinion, the Nays have it. Declare the Motion lost.

The Honourable House Leader.

MR. GREEN: Mr. Speaker, we're all in the House now so we don't have to ring the Division bell, so I'm going to propose that we now adjourn the House and move to the Committee on Statutory Orders and Regulations to consider the Marital Law legislation. This afternoon we will come back into the House, there is still one bill that I want to get through to Committee and then we will again proceed to Statutory Orders and Regulations in an attempt to get that legislation back into the House. Tonight, Mr. Speaker, my intention is that we not meet in the House but that we merely meet in Committee of Statutory Orders and Regulations on the understanding at that time that we will not yet finish it this afternoon. So, Mr. Speaker, I would move, seconded by the Member for Lakeside, that the House be now adjourned.

MOTION presented and carried and the House adjourned until 2:30 this afternoon.