

TIME: 2:30 P.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; Notices of Motion.

### INTRODUCTION OF BILLS

**HONOURABLE SAUL A. MILLER, Minister of Finance (Seven Oaks)** introduced **Bill (No. 87) — The Homeowners Tax and Insulation Assistance Act.** (Recommended by His Honour, the Lieutenant-Governor)

### ORAL QUESTIONS

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

**MR. ROBERT G. WILSON:** I have a question to the Minister of Corrections. Several days ago, I raised a matter before the House here and I wondered if the Minister is now prepared to indicate if any further developments have happened with regard to the Manitoba Youth Centre.

**MR. SPEAKER:** The Honourable Minister for Corrections.

**HONOURABLE J. R. (Bud) BOYCE, Minister responsible for Corrections and Rehabilitation (Winnipeg Centre):** Mr. Speaker, as I mentioned at the time, an investigation had been under way relative to the allegations in the first instance. Subsequently, because of the actions of the Member for Wolseley, other investigations have been initiated. It was reported in the press that the member had made the remark that someone in the system had provided him with information. An investigation is taking place to see whether this is in contravention with The Child Welfare Act — betrayal of professional confidence to those people working in the system. An investigation has been taking place to see whether The Juvenile Delinquents Act has been transgressed. The police are carrying out an independent investigation and, as I recorded at the time, I am carrying out my own investigation. And should it prove necessary, I will carry out further investigations of everybody involved in it.

**MR. WILSON:** A supplementary question. Am I to gather from the Minister's comments that if a particular staff person comes forward to an MLA after 30 days asking me to raise questions in the House, that rather than receive a commendation or a promotion, he is then subject to problems with his employment?

**MR. BOYCE:** Aren't I nice and calm today, Mr. Speaker? Mr. Speaker, the Member for Wolseley can take anything from my remarks he wants. What I said I was investigating, is whether someone within the system was instrumental — and the Member for Wolseley going out in the hall and handing out names of children who were involved at the Youth Centre — and thereby in my judgment, publishing information.

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

**MR. L. R. (Bud) SHERMAN:** Thank you, Mr. Speaker. My question is to the Honourable the Minister of Labour. I wonder if he can report to the House on the situation at Christie's Biscuits with respect to the forthcoming closure and the termination of work for something in excess of 130 employees.

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

**HONOURABLE RUSSELL PAULLEY (Transcona):** Mr. Speaker, in conformity with the laws of the Province of Manitoba, I want to say that Christie's Biscuits have informed the Minister of Labour as to a mass termination, and I am happy to know that they have done so according to our legislation.

An agreement has been made to me by the company concerned, that they would be prepared to enter into an agreement with myself as Minister of Labour, the Minister of Manpower at the federal level, the union, and themselves into setting up a committee of manpower in our respective jurisdictions in an endeavour to soften the blow. Of course, Mr. Speaker, I don't know whether I have to inform the Honourable, the Member for Fort Garry, as to the provisions of the The Industrial Relations Act — it is a requirement of companies where there is a mass reduction or termination or layoffs — sometimes we have a play on words as to numbers — to inform the Minister of Labour so that he may take appropriate action. In this particular case, the law has been fulfilled; a request has been made to the Minister of Labour for the establishment of a joint committee to see whether or not we can bring about a softening of the blow — I am using those words really loosely — and I am prepared to consult with the federal authorities as to the establishment of a committee to see whether or not we can alleviate the suffering which may result.

**MR. SHERMAN:** Thank you, Mr. Speaker. I thank the Minister for his information. I'd like to ask a supplementary as to whether the company offered any reason as to why the closure and termination

is taking place and whether it was related to any view that the company may have about the depressed state of the Manitoba economy.

**MR. PAULLEY:** No, Mr. Speaker, there is no reference at all to any possible depressed position of the economy of the Province of Manitoba, which is one of the bastions of progressive legislation and progressive indications and positive indications that Manitoba is a bastion of all provinces in the Manitoba forward-looking legislation and the economic situation despite the purveyors of doom and gloom on the opposite side of the House.

**MR. SHERMAN:** Mr. Speaker, in the context of that spirited of bastions of progress, might I ask the Minister whether he has completed discussions and negotiations to accommodate the wide number of workers faced with the termination at Co-op Implements before he gets now into the job of pursuing the progress of the economy and the interest of the workers laid off at Christie's Biscuits.

**MR. PAULLEY:** Mr. Speaker, my honourable friend has introduced another factor' namely Co-op Implements in my Constituency of Transcona. There was an indication of considerable termination of services. The last time I was talking to Co-op Implements and its management, there was an indication because there was a change in the climatic condition prevailing in Manitoba, that there may be a reduction of the numbers of employees whose services may be terminated. That was in the lap of the gods, not in the lap of the Legislative Assembly of Manitoba or the Minister of Labour.

**MR. SPEAKER:** The Honourable Member for Fort Garry, final question.

**MR. SHERMAN:** A final supplementary, Mr. Speaker. I'd just ask the Minister if he can advise the House if there is any situation that he can add to the list that he knows will be coming in the next days to be added to Co-op Implements and Christie's Biscuits.

**MR. PAULLEY:** Mr. Speaker, because of the efficiency of this government and its legislation, there is a requirement that any firm that has a mass lay-off, must inform the government and the Minister as to the total numbers concerned so that we can take appropriate action and we have taken appropriate action on every occasion that has been indicated to the Minister of Labour and the government.

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

**MR. STEVE PATRICK:** Mr. Speaker, I wish to direct my question to the Minister of Industry and Commerce or the Acting Minister whoever he is, or maybe the Minister of Labour can take it because he might have some communication with it. It's in view of the Christie Biscuits' closing. I understand that their reason for closing was because of necessity of expansion of the present facilities, and the present facilities were too old. Has the First Minister or the Minister of Industry and Commerce had any communication with the management in eastern Canada to see if there is any way that the present facilities could have been renewed or expanded here in Winnipeg in view of the fact that large sales are made in western Canada and this Christie operation in Winnipeg was an area that largely western Canada provinces were served from this area. Has there been any communication between the First Minister and the Minister of Industry and Commerce and the management in eastern Canada to see if this very important industry can be maintained and kept in Winnipeg? And the only reasons that were given were because of the old facilities and at the present time they were not prepared to renew?

**MR. PAULLEY:** Mr. Speaker, from time to time, this administration is criticized because of its involvement in the areas of private enterprise. What the Honourable Member for Assiniboia has said, I believe, is basically correct, that Christie Brown Bakery have found, in their free-enterprise judgment, that it would be uneconomical for them to upgrade their plant in order to carry on their facility here in Manitoba. And indeed, I would suggest, Mr. Speaker, this could be the same in any other province other than the Province of Manitoba or as well as the Province of Manitoba.

As the present spokesman for the Government of Manitoba, I don't know of any direct representation that have been made to the Manitoba Development Corporation, or the Minister of Industry. All I do know is I have been informed that one of the reasons that Christie Brown have felt that they would withdraw some of their operations in the Province of Manitoba, is based on the cost of upgrading their plant, not ours, but their plant. It could have occurred, Mr. Speaker, I would suggest regardless or irrespective of wherever that plant was established.

Now then, if it means that a representation will be made to the Government of Manitoba by Christie Brown for assistance in upgrading their plant, not a public plant, I am sure that my colleague, the Minister of Industry and Commerce, my colleague, the Minister of Mines and Natural Resources, who has under his jurisdiction the Manitoba Development Corporation and Fund, that will be given every consideration. But as far as I am aware at the present time, Mr. Speaker, no direct representation has been made.

**MR. PATRICK:** A supplementary, Mr. Speaker. The question to the Minister is: Has the government had any communication? I didn't ask if the Christie Biscuits executives or Christie Biscuit management approached the government. Would the government give consideration to approaching Christie Biscuits, Nabisco, who have million dollars of sales in western Canada, to see if they would be perhaps convinced to have a plant in Winnipeg to serve western Canada? Canada? That's my first question.

Perhaps also the Minister can ascertain and find out if they are closing the plant here and the product will be supplied by eastern Canada or are they moving to some other province?

**MR. PAULLEY:** According to the information that I have received, Mr. Speaker, Christie Brown have decided to close down a portion of their operation here in the province of Manitoba and that the operation will be continued in that free enterprise bastion called Ontario. If my honourable friend means, in his question to me, is the Government of Manitoba prepared to bail out Christie Brown, I say to him that I don't want this to be another area of debate in the House where we have bailed out free enterprise because of their inefficiency to operate in Manitoba.

**MR. PATRICK:** Mr. Speaker, a supplementary. I'm sure the Minister must realize and knows my question was quite to the point specific. I didn't ask for any bailing out and I'm sure that Christie Biscuits doesn't need any bailing out. I asked if the government in the front benches, the Minister of Industry and Commerce, has any kind of communication with industry in this province and perhaps maybe some communication with industry may hold them in this province. That was my question.

**MR. PAULLEY:** Well, Mr. Speaker, may I answer in this way. As far as I am aware, the Department of Industry and Commerce, the Government of the Province of Manitoba have not suggested to Christie Brown that we will bail you out in the Province of Manitoba because we have some consideration despite the accusations levied at us that there is an onus on the likes of Christie Brown and other corporations to ask whether or not we would be prepared to give assistance to the continuation of their operation here in the Province of Manitoba and we have done this on a number of occasions, including bailing out the former administration insofar as CFI is concerned.

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

**MR. ARNOLD BROWN:** Thank you, Mr. Speaker. My question is to the Minister of Agriculture. I wonder if the Minister is aware that because of the closing of Christie Biscuits that 200 tons of sugar sales annually will be lost to the producers of sugar beets and to the Manitoba Sugar Company.

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

**HONOURABLE SAMUEL USKIW (Lac du Bonnet):** Well, Mr. Speaker, I am not at all aware as to the implications that it may have on the sugar plant in Manitoba and subsequently, of course, the producers of sugar beets. I do know that, at least I believe, that the company in question intends to maintain its present level of business. Question of location of plant or whatever is another matter and that to the extent that they maintain their productivity, in essence they will require the same amount of sugar input as they have in the past. Now whether that has an implication on Manitoba sugar production, is something yet to be determined.

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

**MR. J. WALLY MCKENZIE:** Mr. Speaker, I have a question for the Honourable, the House Leader. Mr. Speaker, I wonder if the House Leader will assure the opposition that those Orders for Return which were submitted in 1976 will be tabled before this session ends?

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

**MR. PAULLEY:** Providing we have that information available they will be tabled before the House prorogues.

**MR. MCKENZIE:** Mr. Speaker, I wish the Minister would elaborate on this information being provided. That's why we submitted the Order for Return, because we don't have the information, Mr. Speaker. I wonder whether he would explain in more definite terms what he's talking about.

**MR. SPEAKER:** Order please. Order please. The Member for Churchill wish the floor? The Honourable Minister of Labour.

**MR. PAULLEY:** Yes, Mr. Speaker. I'm prepared to indicate to my honourable friend, the Member for Roblin, that this government on becoming the government, changed the whole procedure insofar as Orders for Return and the tabling of such.

**MR. SPEAKER:** Orders of the day.

**MR. PAULLEY:** Just a moment, Mr. Speaker. I sat down because of the interjections of the honourable members opposite. I was asked a definite question of the Honourable Member for Roblin, that this government change the procedure insofar as the tabling of Orders for Return are concerned with the previous procedures. That when the Conservative Government decided to dissolve the House, all outstanding Orders for Return died. We, in this government said that they will not die, that we will give the information to my honourable friend. And if he will be patient, under our administration and our basic philosophy of freedom of information, he will get a reply to his Orders for Return which we never got when I was in opposition.

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

**MR. GORDON E. JOHNSTON:** Mr. Speaker, I address this question to the Honourable the Minister of Labour. Before I begin, I would like to compliment him on his new suit and his old style. I mean his style in the House, not his suit. Mr. Speaker, my question to the Minister is: With respect to the decision of Christie Biscuits to close down and phase out their Manitoba operation, does the Minister not believe that the time and three-quarter rate of overtime that he is proposing, has a lot to do with placing this company in an uncompetitive position? These would be companies that do the

similar type of work in other provinces where they pay time and a half on overtime occasions.

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

**MR. PAULLEY:** Mr. Speaker, my answer to my honourable friend, and I can say my honourable friend to the Member for Portage la Prairie — sometimes I question with other members of the Assembly. I can say to my honourable friend that as far as I am aware the decision of Christie Biscuits was arrived at some considerable period of time ago, and that has been indicated to me. Insofar as Bill 65 is concerned, and the provision for a possible increase in overtime rates, it is still before this Assembly, it has not been passed. If my honourable friend the Member for Portage la Prairie, can get sufficient support to have amendments made to Bill 65 to change that provision, then of course those changes will be made. But insofar as Christie Brown is concerned, at no stage that I'm aware of, that that corporation has indicated to me that their decision was based on any provisions of Bill 65.

**MR. G. JOHNSTON:** Well, Mr. Speaker, I have another question for the Minister and I welcome his signs of being reasonable with respect to one and three-quarter overtime rate. I gather by his remarks that he's willing to entertain an amendment and I'd make this question to the Minister. Is the Minister aware that the management of Campbell's Soup in Portage, a company that employs about 300 people, have sent a telegram to his Premier, and to other members of this Cabinet, indicating if this proposal goes through — the one and three-quarter overtime rate — it will place the Campbell Soup Plant which supplies most of Western Canada, in an uncompetitive position with their competitors who are located in other provinces?

**MR. PAULLEY:** I want to indicate, Mr. Speaker, to my honourable friend I have received a telegram from Campbell Soup. I do appreciate the receipt of the telegram. I do appreciate the fact that the honourable the Member for Portage la Prairie has drawn this to my attention. It is my intention, Mr. Speaker, to close the debate on Bill 65 this afternoon, and I will at that particular stage of the game — if we call this a game — make reference to a number of representations that have been made in respect of the effect of Bill 65. I hope at that particular time to fully answer the telegram sent to me by Campbell Soups, and others who are not knowledgeable of the intent of the Bill 65.

And I also, in reply to my honourable friend — I say that affectionately — that I want to say to my honourable friend, the Member for Portage la Prairie, that it will be my intention as the House Leader to call a meeting of the Industrial Relations Committee for Saturday afternoon at 2:30 when Campbell's Soup and any other organizations will have their democratic right under this government to make representations. So, I say to my honourable friend in direct answer, "Yes, I have received a telegram and on Saturday, the General Manager of Campbell's Soup will have an opportunity of formally presenting their opposition to proposals." And in addition to that, I would wonder whether after my remarks this afternoon, whether Campbell's Soup or a heck of a lot of other organizations will appear. —(Interjection)— Oh, I ignore you, you're out of the House. You're not even in the House as far as I'm concerned. But, I do want to say, Mr. Speaker, that they will have their opportunity of making their representation Saturday afternoon at 2:30.

**MR. G. JOHNSTON:** Mr. Speaker, a final question to the Minister and I thank him for the statement he has just made. This is for the purpose of the companies who may be interested in appearing — is it at 2:30 or 1:30 or 2:00?

**MR. PAULLEY:** It will be on Saturday afternoon. It may be compulsory overtime, but that's when it will be.

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

**MR. SHERMAN:** Mr. Speaker, I would like to ask the Minister of Labour another question related to the Christie Biscuit situation and in the context of his answer to the Member for Assiniboia about the difficulties or his unwillingness to bail out Christie's in their present situation. Could I ask the Minister if he could not bring in a companion bill to Bill 18, in which he bails out the major grocery chains.

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

**MR. PAULLEY:** You know, Mr. Speaker, sometimes the Minister of Labour is placed in a most embarrassing position, after having been here as long as I have, to really have the likes of the questions posed by the Honourable Member for Fort Garry, because the debate has been concluded and I think that he is still attempting to use politics insofar as Bill 18 is concerned.

The bill will be up this afternoon, I hope, Mr. Speaker, for third reading, and I would suggest that the Honourable Member for Fort Garry, or any other member of this Assembly, will have the opportunity of making their comments on third reading. And I am going to have the opportunity of replying to the asinine comments of the Opposition.

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

**MR. WARNER H. JORGENSON:** Do we take it from the Minister's response now that he will not impose closure on the debate as he did in the Committee the other night?

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

**MR. PAULLEY:** Mr. Speaker, for the purposes of the record, the Minister of Labour, the temporary House Leader, did not impose closure on the Committee considering Bill 18. The Opposition had

every opportunity. As a matter of fact they exceeded the normal opportunities given to members of this Legislature, and there was no closure then, there will be no closure now.

**MR. SPEAKER:** The Honourable Member for Fort Rouge. **PF MR. LLOYD AXWORTHY:** Mr. Speaker, I do not have a question related to Christie Biscuits, although I do express my anxieties to know whether we will be able to still have a fresh supply of chocolate puffs in the province as a result of that.

I do have a question' Mr. Speaker, for the Minister of Cultural Relations. I would like to know if the province is planning any special celebrations on Canada Day in view of the steps taken by the Federal Government and other provinces to provide for a special commemoration and celebration on that particular day?

**MR. SPEAKER:** The Honourable Member for Rock Lake.

**MR. HENRY J. EINARSON:** I would raise this question to the Minister of Labour. Despite Bill 65, and I am fully cognizant of the fact that regardless of amendments the government has the majority, I would like to ask the Minister if he could indicate how many months it has been known by he and the officials of his department that time and three-quarters would be coming forth before this House and before the industries of this province?

**MR. PAULLEY:** Mr. Speaker, in answer to my honourable friend, I indicated to the Assembly that I will be closing the debate on the particular bill this afternoon. I think it would be more appropriate for my honourable friend, the Member for Rock Lake, to await that particular time to hear the answer to a legitimate question, and I don't discount the legitimacy of his question. I will be answering then, as indeed I will be answering the labour critic of the Conservative Party.

And further, Mr. Speaker, my honourable friend will have an opportunity to raise that particular question when Bill 65 goes into the Industrial Relations Committee. I am not sure whether my honourable friend is a member of that Committee or not, but all members of the Assembly have the right to attend the Committee meetings to raise whatever questions — the only barrier is the right of voting on any particular section of the bill. He has the democratic right and I suggest that that is when he should use it.

**MR. SPEAKER:** The Honourable Minister for Tourism, Recreation and Continuing Education.

**MR. BEN HANUSCHAK:** Mr. Chairman, in response to the question from the Honourable Member from Fort Rouge, there is no doubt that the Province of Manitoba will be involved in the promotion and the assistance and encouragement of the observance of Canada Day, as it has in the past. I know that my department is working on it at the present time. It is now the first week of June and no doubt within the next few days there will be an announcement coming from me or from my department as to whatever further details there may be with respect to the province's involvement in the observance of Canada Day and its participation and assistance offered to others in the observance of that particular function.

**MR. AXWORTHY:** Mr. Speaker, in view of the cancellation of the program that was normally held on the Legislative grounds on Victoria Day, can the Minister indicate whether there is any plan to be providing for a major celebration on the Legislative grounds during Canada Day?

**MR. HANUSCHAK:** Mr. Speaker, I am not aware of any cancellation of any program on Victoria Day. That certainly was not any program in which my department was involved in; it was not cancelled by me and therefore I cannot respond to the honourable member's question.

**MR. AXWORTHY:** Mr. Speaker, a supplementary. Can the Minister indicate whether his department or other departments in the government that may be involved have been in contact with any of the different civic or cultural organizations in the province to see if they are prepared to participate or become involved in a special Canada Day celebration?

**MR. HANUSCHAK:** Mr. Speaker, you know, as the name of the day itself indicates, I would think that the Dominion of Canada itself and the Government of Canada would take the primary initiative and concern about the observance of that day and would play a much greater role in seeing to it that that day is observed than the provinces, although I would hasten to add, Mr. Speaker, that we, as a province of the Dominion of Canada, would do whatever we can to assist in the proper observance of that particular day. But the prime responsibility really, Mr. Speaker, ought to rest with the Federal Government.

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. THOMAS BARROW:** On a point of order or privilege, or whatever it is, Mr. Speaker, they accuse the Minister of closure on Bill 18. I would like to go on record — he had no knowledge of closure. I made that motion and if you want to know the reason why I made the motion to put the question, the debate was sinking to a very low level. The members on that side of the House, the Free Press were there, all wanted to get their names in the paper, so to cut a long story short and end it, the only thing to do, I made that motion. The Minister of Labour had nothing to do with it, Mr. Speaker, thank you.

## ORDERS OF THE DAY

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

**MR. PAULLEY:** I wonder, Mr. Speaker, whether I could indicate to the House the procedure that I intend to follow.

**MR. SPEAKER:** Before we do so, can we take the Order for Return?

**MR. PAULLEY:** Yes.

### ORDER FOR RETURN

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**ORDER NO. 41:** On Motion of Mr. Banman Order for Return:

**THAT** an Order of the House do issue for a return showing the following information regarding Manitoba Hydro:

1. The total number of Nelson River tours arranged by Manitoba Hydro in 1976 and in 1977.
2. For each of those flights, a detailing of:
  - (a) number of people on the flight and their group affiliation, if any;
  - (b) total cost to Manitoba Hydro for the flight, ground transportation, food and provisions and other costs, including salaries and wages;
  - (c) total revenue to Manitoba Hydro from ticket receipts for the tour; and
  - (d) profit or loss incurred by Manitoba Hydro.

**MOTION presented.**

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

**MR. PAULLEY:** We have no objections, Mr. Speaker.

**MOTION carried.**

### BUSINESS OF THE HOUSE

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

**MR. PAULLEY:** Mr. Speaker, I do want to indicate to the House what I have in mind at the present time as to the order of procedure. I understand that the Honourable, the Leader of the Opposition, is engaged on a private matter at the present time and so therefore I would defer the calling of Bill No. 40 until his return to the House.

You know, Mr. Speaker, sometimes . . . I won't say it. Others often are desirous of speaking but, anyway, I give to the Honourable, the Leader of the Opposition, an opportunity to speak today but unfortunately he has another private engagement that I recognize so I would defer until his return later this afternoon, as I understand he will do, consideration of Bill No. 40.

It would be my intention to call Bill No. 56 for the Honourable Member for Pembina and then go on to Bill No. 67, standing in the name of the Honourable the Member for Rhineland, and then following the other bills, to go back to the debate on Bill No. 65 standing in my name and then we will proceed with the business of the House.

There had been an indication made to me that the Honourable Member for Brandon West, is it — I get confused — wanted to proceed with the bill dealing with Public Schools Act. I had indicated to the House Leader of the Conservative Party that we may proceed with that this afternoon. Information has come to me that it may be advisable to leave it until tomorrow because of the absence of the Honourable the Minister of Education. So if my friend, the Member for Brandon West does not object, we will defer that for today.

Then, following that, if the business of the House is concluded in a reasonable time, before 5:30, then it would be my intention to go into Law Amendments Committee to consider some bills — maybe not controversial — in Law Amendments Committee until 5:30.

The Committee on Statutory Regulations will be meeting tonight. It is conceivable that they will not hear all of the representations that are before the Committee in a reasonable time tonight and I would suggest to the Assembly ' Mr. Speaker, that we do not convene tomorrow morning at ten o'clock if the Committee — and I don't think that they will — on Statutory Regulations have not concluded their representations. We will meet at 2:30 tomorrow afternoon in a regular session of the House and then, as I indicated a moment or two ago, the Committee on Industrial Relations will meet at 2:30 on Saturday afternoon. It is my intention, Mr. Speaker, to suggest a meeting of the House for ten o'clock on Saturday morning.

**MR. SPEAKER:** Bill No. 56. The Honourable Member for Pembina. The Honourable Member for Morris on a matter of procedure.

**MR. JORGENSON:** Mr. Speaker, I hesitate to ask the Minister another question because I don't want to delay the ending of the session that much but he did not indicate what we were going to do on Friday night.

**MR. PAULLEY:** I appreciate that and the Minister of Finance drew that to my attention, Mr. Speaker. I would suggest that we play it by ear now. There are, as I understand from the Chairman of the Committee on Statutory Rules and Regulations, a considerable number of representations. It

may be advisable, we will only know that really tomorrow morning as to whether or not there will be a formal meeting of the House Friday evening. So, I ask my honourable friend, the House Leader of the Conservative Party, please forgive me for my non-reference to tomorrow evening. We will be meeting though, Mr. Speaker, let me put this clearly, that we will be meeting tomorrow night, either in Committee on Statutory Regulations, Law Amendments, or in the House, but we will have to play it by ear at this particular time.

**MR. JORGENSON:** Mr. Speaker, I will wait until Hansard comes out and see if I can't decipher that unintelligible explanation.

### ADJOURNED DEBATES ON SECOND READING

#### BILL (NO. 56) — THE FARM LANDS PROTECTION ACT

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

**MR. GEORGE HENDERSON:** Mr. Speaker, I would like to make some remarks about Bill 56 and ever since this bill has appeared on print, I have been worried about it. I have been puzzled. I think I, like many people in the House, have realized that it is a more complicated and important bill than we had originally thought.

I know that we had hearings by the Agricultural Committee and, at that time, we were discussing ownership of land. Naturally, we got the impression from the farm people that what they favoured most of all was private ownership of land. We know that this is really the best of all, there is no question about that, but we do know that it's not always possible.

We also know that land prices have increased a great deal in the last number of years, but really it isn't just foreign buyers alone which must be blamed for that because prices of everything in Manitoba has gone up a great deal, whether it's land, or whether it's buildings, or what have you. In fact, land prices were so low in the thirties, because of the depression, that there had to be large increases in farm prices which was only a natural thing. I can go back to the days when a half section with a house and a barn on it sold for \$3,500, with a house that people were living in. So land prices were at a very low level. In fact, I remember of one time, and it was myself involved, I bought a half section for \$1,200. I bought a half section for \$1,200 and I debated a long time before I bought it, and when I bought it I went to the Municipal Office, I wanted to talk to the clerk there about some other things, and I told him I bought that. He said to me "If you want some more land," he says, "the half section next to it," he says "the Municipality owns it and you can get it for a dollar an acre." And believe it or not, that's the way the land prices were.

**A MEMBER:** Did you buy it?

**MR. HENDERSON:** No, I didn't buy it. I thought probably that I had overpaid on one and maybe the other one was no good at all. So that's just the way it was. In fact, whenever you're buying or selling anything — (Interjection) — So much for my business judgment. Well I will admit I have made a lot of mistakes. I'll tell you about some of them later.

But anyway, when you're involved in buying or selling, if you're selling the price seems, you know, you don't seem to think you're getting too much, but if you're buying, well you naturally think the price is high. But I don't really think land prices, even though they have gone up a great deal, are really, you know, too high. Now let's just think about it for a minute. Land, the best land in Manitoba is selling for around \$300 to \$500 an acre and that seems like an awful lot because most of us are going back to the days when it was so cheap, when it was awful cheap. When you compare it to other things and even when we compare it to the price we're getting for rape, corn, and flax and potatoes and sugar beets and other special crops. If we have a good year there's a pretty good profit in it. That's the reason why we not only find foreigners, we find other farmers trying to get more land and willing to pay a good price for it.

If things continue like they are in prices, I think you're really going to see land prices even higher. I would say that land prices will even be higher in ten years time, whether we restrict foreign ownership or not. Because you've got to think about land in this way, they aren't making any more of it these days. You can make machinery, or buses, any of these airplanes or anything you like, they may cost a lot, but you at least can make them. They aren't making more land. The world population is growing and it's going to continue growing. We have expensive land to the south of us in the States, they're paying six or seven hundred dollars an acre for land to farm. Land is high in Alberta, it's high in Ontario. It's high in England and in the European countries.

I really think that we have a pocket of land in Canada, Manitoba and Saskatchewan in particular, which is really low in price, and it's really going to become higher. What should we do about it? This is the thing that comes to our mind. Possibly foreign ownership and other things are pushing the price up. What should we do about it? I think that a government could go in the way of extending credit for people to buy it, so they could own it and work it. They aren't too much in favour of that. But I think they could, because what's the difference between the government putting up the money and him becoming the buyer with a mortgage back, than the government buying it in the first place and

renting it? Sure, it's better for everybody to own their land, but that's not possible, and there are some people looking to rent land. I say that they may as well rent it from an individual as from the government.

They've had regulations that controlled the use of land and the price of land, and who you can sell it to in other provinces, but really, this hasn't stopped the price of land from going up in price. There really isn't anything wrong with land going up in price, in my opinion at least, there certainly isn't, and I think maybe it's even a good sign. If people are having problems with passing it on or selling to their children, I think there could be something more done even yet, in the way of gift taxes and succession duties to make it more possible. There have been some changes made, which I believe will be a help. In this way people could pass it on to some of their children, and if they didn't sell it to foreigners, at least they'd have more money out of it in their own estate.

So we come back to it then, what are we concerned about in this land bill? Are we concerned really, about other Canadian citizens having the land? I really don't think we should be, because in Canada we don't restrict people who buy houses, or apartments, hotels, or buy into mining companies, or into anything else. So why should we restrict any Canadian, whether he's within Manitoba or even Canada, I would say, and in particular a man in Manitoba.

I look at it like this, as the Member for Sturgeon Creek said. A farmer can come into Winnipeg and he can buy an apartment house if he wants to, and he can stay out on his farm, there's no restriction on him. He can buy one house or he can buy six houses. There's no restrictions on him. When you look at it the other way, why couldn't the man, who is in Sturgeon Creek, if he wanted to buy up some land and rent it out? What's the big difference? I'm really against any restriction, in particular, on a person in Manitoba not being able to buy land.

A person may choose to put his money into land, and if he does he's really not going to get too big of an interest on his investment. In fact, the government's own figures show that he gets a small amount of interest on his investment. He's hoping for capital gain. There's nothing wrong with him doing that. There's nothing wrong with him hoping for capital gain. Everybody does it, whether it's in houses or whether it's in other things we buy. They're hoping they can sell it for more. If he doesn't, he takes a loss. And if he does he adds it to his income and pays a tax on it. At least if he's doing this and he's a rural person, or a person with a rural background, he knows what he's investing in. I can see many people, in different occupations, not wanting to do their investing, we'll say, through oil companies, or mining companies, or even put money into Western Savings and Loan, or anything of these things, because they haven't proved to be a very good investment at all.

I can relate some of my own personal experiences in this thing, because I was doing fairly well farming, and I thought at one time I'd put some money into a machine company. You know, I lost the whole darn thing that I put in there. Later on there was a person around talking about a finance company. He wanted to start a finance company, there was a group starting. Well, I thought, people are always borrowing money, you shouldn't lose by starting up a finance company, there will always be people borrowing money, as long as it's managed right you should do all right. Well, that turned out to be a loss, too. I even bought shares in an oil company. —(Interjection)— Yes, I'll come to that. That's iron mines. But the point I'm making is, we've been ripped off in so many of our other investments. So I tried the oil wells, and you know, that company turned out to be a bit of a fake' I think. The final story was 'they ran out of holes. As they drilled down, they said they got into some sandy material' it was always closing in, they couldn't keep it open and so it closed in and they couldn't go any further.

So I thought, you know, I'd put some money into Western Savings and Loan. Well, at that time they were only paying about 3 and 4 percent on certificates. They had you locked in; they retained \$47.50 for every thousand you subscribed for. So after a number of years, interest rates went up and I was only getting 3 percent on my Western Savings and Loan money so I said, the heck with that, and I took my loss and got out. I was still further ahead to take it. And they kept the \$47.50 for every thousand I subscribed.

We started up a Regional Development Corporation that was going to build homes. I thought, well, this will be a good thing maybe to help the community and make a few bucks. I got back 33 percent on the dollar that I put into that.

I tried mutual funds —(Interjection)— Yes, I've tried a lot of things. I tried mutual funds and at that time we thought there was a certain capital gain feature in them, a certain amount that we didn't have to . . . At that time, it had a little bit of an incentive as far as income taxes were concerned, too, so I put money into there. Well, in 1969 the shares were worth \$9.00. Some time here, I didn't check it just now, but I know it was only worth around \$6.00 a while ago. That's from 1969 to 1977, eight years, and it dropped from \$9.00 to \$6.00, that dropped 50 percent. On top of that, if I had hid my money just anywhere else. . . —(Interjection)— So in that length of time my money should have been up to \$18.00; all I can sell my shares for is \$6.00. —(Interjection)— I kind of think that some time when I'm not in this Legislature, I'm going to make a bit of a study about these mutual companies. I believe that they are a bunch of manipulators or crooks, I think I would put it that way and whenever you see one

company amalgamating with another, or taking them over, well, you had better get your money out quick or else . . .

I also told you about the co-op farm that I started in one time. I'm not going to tell you that story again but I put money into that. I was glad to get it out. I lost money too, a little, but I was glad to get it out. I don't want to think anymore about that, I'd just as soon forget it.

Lastly —(Interjection)— I hope it's the last one. I tried the iron mine that the Member for Thompson was mentioning. I thought, well, gee whiz, they need iron with all the machinery and everything that's needed in the years to come, maybe that . . . He was telling us, he said, there's no use of going ahead and mining over there because it's so far underground that it's not profitable. Anyway, I decided from my experiences, and they haven't been all good by any means, that I would put my money in the top six inches of soil and I would manage it and be the boss and the general manager myself. And then if I lost, it would be me that would be doing it, and I don't think it would be any worse than any of these other investments that I was trying where other people were running them.

And I think that there must be other people like me. I think there are other people like me, that maybe in some things they have been successful and they invested in other things like, we'll say, any of these things I mentioned but they got took.

The Member for Virden had a bad experience with an iron mine too — a gold mine, that was gold and with gold going up in price, he should have made a fortune.

So they want to put their money in land. I really don't blame them. In fact, if I knew a dentist or a doctor who was doing pretty well and he wanted to invest in land, I think I would tell him to go ahead and do it. I think, you know, that there is really nothing wrong with anybody, whether he's in Winnipeg or any other part, whether he's living in a town, if he would choose to put his money into farming, I don't see anything wrong with him buying that land. He's going to rent it back to other people who need to rent it and he's going to have to compete with the other people. Chances are, as I said, he's not going to get too big of a return on his investment but he'd like to take a chance on capital gain.

My main concern with the bill is probably foreign non-residents and this is the thing that probably is the most undesirable feature about the bill. But the Member for La Verendrye when he was speaking, and I think he was making a very good point, when he was stating that these other countries are able to borrow money at a very low interest rate. Even across the line, I think they borrow at about six and I hear that in the European countries, they can borrow it for less. So if some financial corporation sets up and buys land out here, they have got an advantage over us because as long as they receive 4 or 5 percent, they are well away.

So I think probably if the government would seriously consider some type of a restriction on this, it would help a lot. I don't know how they would do it, but I think probably some way in the way of making them make up the balance of the interest so it would be fair competition to the people who are in this area, whether it's a private individual or whether it's a local company, or whether it's even against the government itself. Because if the government has to give this land back, somebody has to make up that money because it's costing the Provincial Government about 9 percent every time they borrow money too.

So I would say that this is one way we could do something about restricting the foreign non-resident person and in this way you would put some restriction on them and you would have equal competition between the farmers and equal competition with the local government who are, shall we say, subsidizing the interests.

You know, I wonder sometimes if maybe the worst of the problem hasn't passed because land has raised quite a bit in price and I believe it was low all right, and I'm beginning to wonder now if by the time we bring out a bill — and maybe we won't make some mistakes in it and maybe we won't have such a good thing after all. You know that these foreign investors have invested in Canada before. I can remember reading about where they bought up large tracts of land down around Morris and I know that they bought up a lot around Sperling and Snowflake and you know that those people ended up by having to sell those farms for an awful lot less than they paid. That happened before. And it could happen again. In fact, I would think it would happen because a corporation-type farm or a non-resident bunch of financiers who have hired management over here, there's just no way that they can compete with what we call a farm unit where it's the husband and wife and family that's farming.

So eventually what will happen to these people is that they will lose their land. They will have to sell it for a lesser price because they can't compete with the fellow that's right there attending to his work. If they are paying management fees and depending on people to look after their interests when they are over in Europe, they are going to find they are not going to make it.

But I think, in looking at the whole bill, I think it's one of the more important bills that we have handled this session. In fact, I think it's — well, maybe it's not more important than this one about The Marriage Act — but it is a very important bill and I hope that the government wouldn't just jump into it too quickly and make some bad mistakes on this. I hope that it really wouldn't be just used as a political thing because I know we even sent out a questionnaire ourselves and we got the result that

people were against non-resident foreign ownership. But I mean, that was just asking one question only without giving anybody a chance to think about it and put down their remarks or what they would think should be done. Because it's not just as simple as answering that.

I want to make myself clear that as far as I am concerned personally, I believe that there should be some type of a restriction placed against the non-resident foreign owner, the one who doesn't intend to come here. I don't presume the government on that side is so stupid as to try to bring in a bill that would restrict foreigners from coming here . . .

**A MEMBER:** Do you want to bet?

**MR. HENDERSON:** Well, I would certainly hope that they are not. I would violently oppose that because as far as I'm concerned, anybody that is going to buy land over here and come over and become a resident farmer, has every right to do it. This is what Canada is all about because they came from all over Europe and they settled in here and they have been welcomed as Canadians and this is what I am in favour of.

I think there should be some type of restriction worked out as to the foreign non-resident owner. As far as other Canadians, I'm not wanting to see restrictions placed on them. Now, it may be that the government over there is going to go to that extreme, I don't know, but there is one class of people in particular that I don't want to see any restriction placed on, and that is people right within Manitoba because this is our province, they are working under our tax rules and everything else and it would certainly be an awful mistake for a government to do something like that. In fact, if the government does something like that, it will just look as if they were trying to cut off all other ownerships so as to, shall we say, promote their own scheme of buying up the land and renting it back. This is just what it would seem like because if they stop people in Winnipeg or in the local towns around, buying up land and renting it back to people, this will just look as if they want the government to do all the buying and leasing it back and of course, the people don't want this at all.

So I say to you people over there, you have got a very important bill to deal with and I hope that you give a reasonable amount of time between second reading and Law Amendments on this because I feel that there are probably other people, now that they have thought about this bill, that will want to make representation on it. Since it is such an important bill to the rural people, I hope that they do have as much time as possible to prepare themselves to come into Law Amendments. Thank you.

**MR. SPEAKER:** The Honourable Minister of Agriculture will be closing debate. The Honourable Minister of Agriculture.

**MR. USKIW:** Mr. Speaker, it's a long time since I introduced this particular piece of legislation for debate into the Assembly and I simply make that point because I don't want it to be mentioned whatever from the benches of the Opposition, that the public would not have the opportunity to appear and I simply make that point because I don't want it to be mentioned from the benches of the Opposition that the public will have not had the opportunity to appear before committee, or that notice would not have been long enough, as they often do Mr. Speaker, at least if one is going to take the historical past into account.

This bill was introduced some time well in advance of the Budget and was stood for all of that period of time up until very recent days, at which time we had an opportunity to hear the views of the members of the Opposition. April 15th was the date of the introduction of this bill, Mr. Speaker. I simply put that on the record because I know members opposite, some of them, may be tempted to suggest that we might be unfair to the public at large if we go to committee on short notice.

**MR. HENDERSON:** I'm not saying the bill hasn't been before the House is a long time. What I'm talking about between second reading and the time it goes to the Law Amendments Committee, what is the required time of notice?

**MR. USKIW:** Mr. Speaker, I'm not sure what the rules say about the time. I don't believe there is a required time

It is not a discriminatory piece of legislation, because it does allow, and does provide that anyone who wishes to participate in the agricultural industry, of course, would have no restriction, no matter where they are from they once you're in speed-up. It's a matter of common sense, I suppose, that's going to have to prevail.

Mr. Speaker, in the opening debate for second reading, I emphasized to this House the purpose of this legislation, the importance of this legislation, and that mainly was to strengthen the owner-operated family farm structure in Manitoba. Bill 56 is not designed to be against anyone, not against foreigners, not against corporations, Mr. Speaker, but rather it is for farmers who farm the land. That is the way in which I view this piece of legislation. There's no doubt in my mind, Mr. Speaker, that to the extent that we reduce the pressure on the market, external pressure on the market, it will be easier for local farmers to acquire additional land holdings, or indeed, the first land holdings in their farming career. So it is really for farmers that we are legislating, not against corporations or against foreigners, or against anyone.

It is not a discriminatory piece of legislation, because it does allow, and does provide that anyone who wishes to participate in the agricultural industry, of course, would have no restriction, no matter

where they are from, providing they come here to operate the land, to till the soil. So it is non-discriminatory in that sense, Mr. Speaker.

I'm also pleased, Mr. Speaker, with some of the suggestions that have been made by members opposite. As I said in the introductory remarks, we are prepared to make reasonable amendments, amendments that of course will not jeopardize the main intent of the legislation. It also gives me an opportunity to more fully respond to the members of the Opposition, in particular, and to more fully explain to the people of Manitoba what is involved. I welcome the criticism that has been levelled on this bill by members opposite, Mr. Speaker.

The Leader of the Opposition, and indeed the Members for Lakeside and Morris took some time to try to persuade us that there is a distinction between foreign ownership and ownership of land by corporations and by Canadians who are not farmers. Mr. Speaker, we took the position, and I've stated it before, that in terms of the land question in Manitoba, the question of absentee ownership, that the impact of absentee ownership is the same regardless of who the owner is, if that owner is not the owner-operator. Whether it's a person who lives in another country or whether it's a person who lives in another part of Canada, or in any city or town of Manitoba, but who does not operate as a farmer, the impact of absentee ownership is very much the same, in terms of the farmer or the tenant, the tenant-farmer.

The Leader of the Opposition tried to point out to us that after 107 years — he's talking about since Confederation — 91 percent of all farm land is owned by local residents in rural communities. That is true, statistically speaking, Mr. Speaker, but what one has to remember is another important statistic and I refer to the 1971 Statistics Canada Report with respect to the amount of land that is farmed under a tenancy arrangement in Manitoba. In 1971 we had 26 percent of all land farmed in Manitoba under some sort of a rental arrangement. That represents  $\frac{1}{4}$  of the total farming operation in Manitoba.

If one wants to draw an analogy, one would obviously refer to the fact that in the same year, 34 percent of our dwelling units in the province were also rented, Mr. Speaker. I think it's important to draw that analogy, because what have we done with respect to the arrangement as between landlords and tenants, in terms of housing accommodation, by law, by statute, in the last five or six years. Not only we in this province, Mr. Speaker, but in every province of Canada, we have introduced an operational landlord and tenant legislation which pretty well spells out the kind of relationship that will exist, pursuant to those statutes as between a landlord and his tenant. Of course a year or so ago, Mr. Speaker, we even went beyond that. We went as far as determining the amount of rent that may be charged for a dwelling unit. So there is quite an analogy. I make that point, Mr. Speaker, because I know that if we continue the way in which we have in the past, and as more and more land falls into the category of absentee ownership, there is no doubt in my mind, Mr. Speaker, that we will have to some day bring in legislation governing the relationship between the landlord and the tenant, in terms of our agricultural areas of the province. There's no doubt in my mind whatever. It's my hope that this legislation will render that an unnecessary advent on the part of the Legislature here in Manitoba some time in the future. It's my hope that we can avoid that kind of legislation.

Certainly that is the direction that we are going, and if we don't have these kinds of laws governing ownership, then we will have to have laws governing the relationships between landlords and their tenant farmers.

I don't think that is something that is far away, in the absence of ownership legislation, Mr. Speaker, because one has only to look at what has already, for sometime, for a long time, occurred in Europe. In Europe they have very severe restrictions on land owners with respect to things like security of tenure, minimum length of lease, maximum rents that may be charged, all of these considerations are biased in favour of the tenant-operator. If you look at the legislation in some European countries, the legislation is biased in favour of the operator of the land as opposed to the owner of the land, and that is something that hopefully will not become a necessary feature of our lifestyle in Manitoba.

The Leader of the Opposition, Mr. Speaker — and I want to quote a paragraph out of his speech. The Leader of the Opposition said the following, Mr. Speaker, and I quote: "The term, absentee landlord, is applied with equal opprobrium by the Minister to aliens and to residents alike, while disregarding the fundamental distinction between the two. I suggest to you, Mr. Speaker, that a retired farmer from my constituency of Souris-Killarney, living now in Winnipeg or living in Brandon or living in Souris, and renting his land to a local young farmer, hardly deserves to be treated with the same implied Socialistic disdain and contempt as alien owners."

Well, Mr. Speaker, I have never had and I do not have any disdain or contempt nor socialistic disdain — whatever that is supposed to mean, Mr. Speaker — for aliens or for landlords. I have never expressed contempt for landowners or for aliens, a term which I dislike very much because it smacks of what the Honourable Leader of the Opposition calls opprobrium. It would seem from his remarks, Mr. Speaker, that the Leader of the Opposition has opprobrium, disdain and contempt for aliens.

That becomes very obvious because he seems to suggest that it is quite all right applied to aliens.

I have never suggested that the persons who now own land in Manitoba, no matter where they lived, have done anything culpable, Mr. Speaker. The Honourable Leader of the Opposition seems to imply, in his remark that I try to bunch together absentee landlords and apply them to the same kind of niggling contempt that I would apply to a foreign landowner, seems to imply that it is all right to have contempt for foreigners. Now, Mr. Speaker, unlike the Leader of the Opposition, I have no contempt for foreigners and I have no contempt for landowners.

This is not a bill against anybody, as I said earlier, Mr. Speaker, it is a bill for farmers. It is a measure designed to prevent problems from occurring in the future. I have not, and I do not, use the term absentee landlord in the pejorative sense to Canadians or to others as the Leader of the Opposition accuses me of doing.

The Leader of the Opposition says that there has been a natural and evolutionary trend, Mr. Speaker, of land ownership from an original state, back even before Confederation. That's a very interesting observation, Mr. Speaker, because it gives us an opportunity to remind ourselves as to where we were and it is a very interesting revelation. Most of the land at that time, of course, was owned by the Crown but, you know, I would like to ask the Honourable Member, the Leader of the Opposition, and members opposite, to explain to me whether the Hudson Bay Company obtained the land as a result of a natural evolutionary trend that he refers to. Perhaps he will explain to me by what rights the King of England could donate half a continent he had never seen to a company of adventurers trading in Hudson Bay. Was that a natural trend, Mr. Speaker, in the rights of people with respect to land ownership?

While he is at it, he might further explain by what natural and evolutionary trend the ownership of 30 million acres of prairie land became vested in the CPR. That might be an interesting revelation, Mr. Speaker. And what, Mr. Speaker, did the free market have to do with the Homestead Act, the settlement of immigrants on the lands and, of course, the Indians on reservations, which to this day, the land they do not own, Mr. Speaker. All of those things the Leader of the Opposition would like to have us believe were sort of the natural trends in terms of the disposition of our lands and the ownership of our lands throughout our history. Well, Mr. Speaker, there is nothing natural about them. These lands were acquired either by gifts or by conquest and certainly by actions of governments, either foreign or Canadian, but certainly not by any natural trend that my honourable friend, the Leader of the Opposition, alluded to in his remarks. —(Interjection)— The Homestead Act was not a natural trend, it was an Act of the state. It wasn't a natural trend. It had nothing to do with the market-place, Mr. Speaker.

The history of land ownership in this part of the world, Mr. Speaker, goes back far beyond 107 years. The trouble is — and I am sure that the Honourable Leader of the Opposition is also aware of it, Mr. Speaker — that our claim to ownership rests on very shaky ground. If the ownership of land is an unalienable right of man, then the King of England clearly had no right to alienate the land from the Indians. Nor did the Government of Canada have that right in 1868 through the Rupertsland Act or in 1870 by suppressing the Metis uprising in Manitoba. If that is a right, that the Honourable Member alludes that it is a right, and I don't know under what kind of description or what kind of interpretation he makes it a right, but certainly it is obvious it isn't the kind of right that I would want to assume to be the case. There must be quite a difference between the rights that he prescribes and the rights that we would want to prescribe and live by here.

The plain fact is, Mr. Speaker, that the ownership of land is as a result of conquest which, if it were engaged in by individuals, would be called in today's terms "armed robbery." —(Interjection)— Of course, you may ask me.

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

**MR. JORGENSON:** Is he suggesting now that the 90 percent of the farm land in this Province of Manitoba has been obtained by conquests or by armed robbery?

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

**MR. USKIW:** Mr. Speaker, I don't think that I have to tell the Member for Morris the history of the world. Many of us are fully aware of what took place in the world and what took place in North America with the disposition of North American lands and the history, Mr. Speaker, is not a pure one. It is covered in blood, Mr. Speaker, it is covered with blood. —(Interjection)— Yes, and and gunpowder.

**MR. SPEAKER:** Order please.

**MR. USKIW:** No one has suggested that, Mr. Speaker, no one has suggested that the farmers who have acquired the land got it in that way. I merely point to our early history in North America, Mr. Speaker. —(Interjection)— That's correct. In a good part of North America, the fastest gun was able to determine the ownership of property for a long period of time. —(Interjection)— The Member for Portage la Prairie says, "Taxpayers' blood, too." Well, that's correct too, Mr. Speaker.

Mr. Speaker, it is good to remember that the power to set the rules on land ownership was considered to be so important by the Government of Canada that that power was not passed on to the

provinces until the 1930s. —(Interjection)— That's correct, these provinces. So, Mr. Speaker, when you talk about natural and evolutionary trends in land ownership, the fact is that governments have had a lot to do, governments have had a lot to do with the disposition of land rights throughout our history, certainly in the history of the world.

I am sure that even members of the Opposition will agree that when we speak of the right of Canadians to acquire and own land, we use the word "right" to denote privilege established through law, custom and tradition, Mr. Speaker, rather than a right in natural law that can be, and ought to be, extended equally to all. I would, therefore, suggest that the expression "right to acquire and own land" be used with prudence because in the 107 years of history that the Honourable Leader of the Opposition referred to, we have not extended that right equally to all. Basically, we have extended the privilege only to those who could pay for it and would suggest that there is a big difference, Mr. Speaker, between a natural human right and the ability to pay for a title of land.

The Leader of the Opposition also went on to complain about unnecessary interference in the lifestyle. I want to quote, Mr. Speaker. "Why is it that because of this bill, a man who has a son, a man who lives in Winnipeg who is not a farmer but has a son who is taking Agriculture, for instance, at the University or taking a diploma course at the University and he wants to establish that son on a farm and he is restricted under this particular bill, because he is not a farmer, to purchasing 640 acres. Now, he may want to be a rancher and he is going to need, as my honourable friend from Lakeside can tell you, something considerably more than 640 acres if he is going into the ranching business." Mr. Speaker, I don't know whether the Leader of the Opposition didn't want to understand or couldn't read well, but it is obvious that if the father was entitled to 640 acres, presumably he had a wife or the mother of the son who would be entitled to 640 acres and presumably if the son was at University, he would be of age of majority and would be entitled to own 640 acres. I don't know where my honourable friend the Leader of the Opposition sees a problem. We are talking about three sections of land, capability under that sort of arrangement without any encumbrance whatever by legislation. The Leader of the Opposition finds this an impossible thing for our young farmers who want to get established in agriculture, Mr. Speaker. The average farm size in Manitoba is just over a section of land but even in this instance, three sections seems to be a handicap.

In another part of his comments, the Leader of the Opposition had the following to say, and I quote, Mr. Speaker. "We are not talking about German industrialists; we are not talking about Italians trying to escape the left-wing influence in Italy; we are not talking about Frenchmen who are trying to get their money away from the kissing cousins of my honourable friends in France." Well that's very interesting, Mr. Speaker, that's very interesting because let's examine the situation over in that part of the world, Mr. Speaker. This is quite a priceless piece of logic emanating from the Leader of the Conservative Party. You know, the Government of Germany' of course, who are the Government of Germany? The Socialist government happens to have one of the strongest currencies in the world at the present time. Let's take a look at Italy, Mr. Speaker. Italy has a Conservative government; Italy has a Conservative government with a socialist in opposition. —(Interjection)— The Leader of the Opposition says, "The Communists are in opposition." So be it. France has a Conservative government with socialists in opposition.

**MR. LYON:** Mostly Communist.

**MR. USKIW:** And the Leader of the Opposition says mostly Communist. Well, you know, Mr. Speaker, Manitoba has what the Leader of the Opposition delights in calling a Socialist government.

**MR. LYON:** Mostly Communist.

**MR. USKIW:** Mostly Communists. All right, let it be, Mr. Speaker. But he is suggesting that the Frenchmen and the Germans and the Italians are running away from their countries in order to come to the secure position of a socialist province in Canada. —(Interjection)— And a socialist federal government as far as the Leader of the Opposition is concerned. All these free enterprisers are leaving Europe for the comforts of socialist Manitoba, Mr. Speaker. That's what the Leader of the Opposition is suggesting. That's what the Leader of the Opposition is suggesting, Mr. Speaker. They are leaving Conservative governments, running away from socialist oppositions in order that they can invest all of their money in a socialist province in Canada. That's the import of his remarks, Mr. Speaker.

And then, of course, Mr. Speaker, the Leader of the Opposition talks about an abridgement of free rights of farmers and other landowners. Well, Mr. Speaker, the only change that is taking place here is a change that restricts people from purchasing. It doesn't restrict people from selling. Farmers are not prevented from selling their land. Certain groups of people, of course, are prevented from buying land unless they wish to be farmers and that certainly is not a very serious imposition in terms of the legislation on land ownership and purchases in Manitoba, Mr. Speaker.

Next, the Honourable Leader of the Opposition said that he is baffled. I want to quote, Mr. Speaker. "Corporations . . . from the definition section but corporations controlled by farmers whether resident or foreign or alien, no restrictions on them at all provided it is a farm corporation, Mr. Speaker, and this is on advice that we have had from a number of counsel provided in the present

definition of the Act. There seems to be a situation whereby the bill would actually permit alien farm-owned corporations to purchase unrestricted amounts of land in Manitoba." Well, Mr. Speaker, I am puzzled too because I do not know how the honourable member arrives at that conclusion. The bill defines a corporation as "one which is not primarily engaged in farming and of which 40 percent or more of all issued shares are owned by persons who are not farmers." The bill also defines a farmer as "a resident Canadian who is actively and substantially engaged in farming in Manitoba and whose principal occupation is farming." That clearly rules out farming corporations owned by persons who are not resident Canadians. I may add, Mr. Speaker, that in addition an amendment has been prepared and we will be presenting this to Committee, to the definition of resident Canadian to include corporations and hopefully that will tidy up that particular aspect of it.

The Leader of the Opposition also quarrels with the idea that individuals and corporations are not treated alike. He calls it an inconsistency. Well, Mr. Speaker, I don't believe that there is anything wrong, there is no inconsistency and different treatment whatever because that indeed is the objective of the legislation. You know, Mr. Speaker, one should reflect, one should reflect on the difference between an individual and his rights, or her rights, and the rights of a corporation because they are very important differences. Members may want to remind themselves that, you know, it takes only a brief moment of pleasure, Mr. Speaker, and nine months of discomfort for the expectant mother and 18 years of sacrifice for the parents as well as a lot of public expense to create a citizen of Manitoba. That is the formula in the creation of a citizen of Manitoba. It takes a lawyer, Mr. Speaker, only a few moments and an issue of the Manitoba Gazette to create a corporation. A very very simple procedure, Mr. Speaker. The Leader of the Opposition would have us equate the rights of a corporation to that of a citizen of Manitoba, Mr. Speaker. That kind of logic, Mr. Speaker, is not acceptable on this side of the House. There should be no consideration whatever in terms of the equality as between corporations and individuals because the individual rights are supreme.

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

**MR. STERLING LYON (Souris-Killarney):** Would my honourable friend permit a question of clarification? He was talking about the ability of a lawyer to create a corporation. Is it not a fact, Mr. Speaker, that the lawyer must first have the client who wishes the corporation to be created and that client must be an individual, a person, who may be doing it for tax purposes or for some equally unrepensible purpose.

**MR. USKIW:** Mr. Speaker, regardless of the fact that the lawyer must have his client, the fact of the matter is that there is a great difference between rights for an individual and rights for a corporation and we do not want to detract from that.

**A MEMBER:** Don't be smart, Red.

**MR. USKIW:** It is obvious that lawyers are not responsible for the corporations that they create. They do it under legislation that is provided for them by either provincial or federal statute, Mr. Speaker. They do it pursuant to legislation and therefore there is nothing wrong with what they are doing. It merely points out that you can make a company and undo a company every hour of the day but certainly that is not the same with respect to the citizens of the land. One also has to respect the fact that there is a limitation of land resources and so the two things must be considered in tandem.

Corporations, also, Mr. Speaker, are entities which have limited liabilities and that sometimes is not to the advantage. It is not always to the advantage of the community at large when liabilities are so limited. Anyone who is involved in the various bankruptcies over the years — and there are many every year — would know what we are talking about. The difference between the responsibility of an individual to society and that of a corporation is quite different, if there is a limited liability situation.

The third point raised by the Honourable Leader of the Opposition, Mr. Speaker, that the definition of 'farmer', applies to persons but not to farm companies will, I hope be taken care of by an amendment mentioned earlier.

The fourth point raised by the Honourable Leader of the Opposition is really a restatement of his first point, both of which are based on a misconception. His consensus, however, will be taken care of by amendment in any event.

The other major objection that the Leader of the Opposition raises has to do with the authority of the Lieutenant-Governor-in-Council. Mr. Speaker, I happen to sympathize with that position. But I don't know how it could be, I don't know how we could place into statute the necessary wording that would foresee all kinds of different situations. I just don't think that it is practically possible. I don't think that there is a practical way of achieving it by statute, and so we are not intending to change the powers vested in the Lieutenant-Governor-in-Council by this legislation.

I might take a moment, Mr. Speaker, to remind members opposite that in Alberta the Act is a very simple document. I want to read into the record just what the Alberta legislation provides in that regard. Under Section (2) of the Agricultural and Recreational Land Ownership Act, I quote, Mr. Speaker, to Section (3): "The Lieutenant-Governor-in-Council may make regulations within the Legislative authority of the province and complementary to any regulations that he makes pursuant to Section (33) of the Citizenship Act Canada, for the purpose of Prohibiting, annulling, or in any

manner restricting the taking of acquisition directly or indirectly of, or the succession to any interest in controlled land. Regulations made under Section (2) do not operate so as to prohibit, annul, or in any manner restrict the ownership by a person of interest in controlled land consisting of not more than two parcels containing in the aggregate not more than 20 acres. Regulations made under Section (2) may provide for the exclusion from the operation of all, or any part of those regulations of (a) any person or class of persons, any transaction of class of transaction involving controlled land, any interests or class of interest in controlled land, any use or class of use of controlled land, and all or any part of the land within the boundaries of a hamlet as defined in the Municipal Government Act."

The whole operational part of the Alberta legislation is going to be by regulation, by regulation, Mr. Speaker. And, Mr. Speaker, I don't have to remind members opposite that that is a Conservative Government.

Another point the Leader of the Opposition raised was the question of a person or a corporation being able to acquire 160 acres of shoreline, and he may subdivide for his own uses. In that particular area, I think I should remind members opposite that under the Planning Act there is provision to provide for a public interest in any plan of subdivision, where dedication may be required and so on. So there is a mechanism to deal with that kind of situation involving recreational areas.

With respect to the powers of the Minister, Mr. Speaker, / I agree with members opposite. It is really not my preference to undertake or to make all of these decisions. While federal legislation reads that way in most instances I have no problem with introducing an amendment that would set up a Board to make the decisions, that we will do in Committee.

With respect to the definition of a farmer — again, that is a very difficult thing to write into the Statute. We, of necessity, must leave it within the confines of regulations, Mr. Speaker, because they will have to be changed from time to time. There will be situations that arise that we cannot foresee at this point in time. And to be fair to the people of Manitoba, I think that it is best left in the area of regulations. Whoever the government is, they will be more able to respond to the needs of the moment, and not be hamstrung by a Statute which could only be changed or altered by another bill being introduced.

The Leader of the Opposition made a major point of a section dealing with corporations. I am not going to quote all of that. I am not going to deal with it at length, except to point out to him that corporations are privileged in that the provincial governments' legislatures and the national government have passed laws allowing for the incorporation of companies and giving them certain privileges. Therefore, I don't accept at all his theory that somehow we should think in terms of giving them additional privileges, and that somehow that this interferes with their legitimate operations as farming corporations, because it certainly does not. Nothing changes in that regard. Farming corporations are corporations where 60 percent of the shares are owned by farmers, who are not whatever affected by this legislation.

The Leader of the Opposition makes a point that sometimes people incorporate in order to dodge taxation. Well, you know, I am somewhat disappointed — (Interjection)— Well, take advantage of, or dodge, or whatever you want to call it, Mr. Speaker. I don't think there is much difference. The fact is, Mr. Speaker, that the Leader of the Opposition implies somehow that governments are not of the people, that governments are something that we should resist and that we should not allow them the right shall we say, to impose levels of taxation from time to time as is necessary for the public affairs of the province or the country. And as a person aspiring to become the First Minister of this province, I can't understand his logic whatever, Mr. Speaker.

**A MEMBER:** He's got no logic.

**MR. USKIW:** If one was to take a look at the privilege now extended to corporations as compared to individuals, one would realize very quickly, Mr. Speaker, that that individual, who carries a lunch can and punches a time clock, and get a pay cheque is in a tax straitjacket. His options are next to zero. He has about \$150 a year of options or expenses that he may deduct for his business. But unlike corporations, which my honourable friend seems to be preferring that we give additional liberties to or privileges for, they are able to do all sorts of things in order to put themselves in a more favourable tax position. I have yet to hear the Leader of the Opposition say anything that would be favourable to those thousands, tens of thousands of people, who don't have those options, but who simply receive a pay cheque with all the deductions taken off.

The Leader of the Opposition also took time to further question, the need for the provincial Land Lease Program. It is not my intent, Mr. Speaker, to take time here to convince him of the need of it. I know that his philosophy is based on the marketplace determining the rights of people, what people are able to do, what they are able to own, and therefore I don't expect anything more from him. I simply point out to him that he refers to our philosophy in that regard as an ideological bent. I don't mind accepting that because I believe there is need, there is great need, for the state to be involved in areas which would give more equal opportunity to people disregarding their financial ability. I think that we have to be judged upon on the basis of how we look after people that have the least of

resources, rather than how we treat those who already have so much. And this legislation, Mr. Speaker, provides an opportunity for youngsters, who are unable to raise mortgage capital, no matter what the interest rate. Thousands of our young farmers are unable to raise mortgage capital and the only way they can get into agriculture is through some initial leasing arrangement. It could be that some day they will become owners of the property, but at least they have an opportunity of entry under that particular program.

Another point the Leader of the Opposition raised with respect to this Bill, has to do with the mortgage capital, the private capital, that he says will dry up, because of the requirement that a company that forecloses must divest of its properties within two years. The Leader of the Opposition suggests that that will dry up all of the mortgage capital and that will be some handicap to Manitoba farmers. I would like to point out to him, Mr. Speaker. . . . Well, the Member for Rock Lake suggests the same. I would like to point out that that is really a phoney issue to say the least, Mr. Speaker. Land purchases are typically financed on a long-term basis, and loans over a period of ten years or more in 1974, the latest year for which we have data, long-term credit outstanding totalled \$2.463 billion. None of this credit was from banks and only \$29 million, Mr. Speaker, just over one percent was provided by insurance, trust and loan companies; \$84 million was provided by private individuals. In other words, 95 percent of all long-term farm credit outstanding was provided by government agencies. So you know, it is very hard to dry something up that isn't there. You know, it never was there, and therefore this legislation will have no impact in that respect.

In respect to the penalty section, the Leader of the Opposition suggests that the penalty sections are too Draconian as he suggests. I think it should be remembered that it is not intended to impose penalties on people who innocently err in any transaction, but rather to apply those where there is obvious intent to get around the legislation. I don't believe that those penalties are too onerous, Mr. Speaker. In fact they have to be severe enough to provide a deterrent.

Mr. Speaker, I didn't mention, but I want to take a few moments, to draw to the attention of members opposite the fact that they were unable to resist the temptation to draw into this debate matters of a personal nature, as it involves my own particular land transaction. Mr. Speaker, I want to point out to the House that the particular story that the Member for Morris introduced in that regard, it is really nothing new, it was on the shelf of the Winnipeg Free Press since last year, and I had knowledge of it since last year, that there was something put together there.

Mr. Speaker, it is very interesting to note that there is obviously an alliance between the Conservative Party and the Winnipeg Free Press for obvious reasons, and that is, Mr. Speaker, an alliance that has been there for some time. After eight years, Mr. Speaker, — it is a credit to this government. They have tried, they have looked, and they have not been able to uncover anything untoward in terms of the behaviour of the members of the government. They have tried desperately and the best they could come up with, Mr. Speaker, in those eight years, the best they could come up with is innuendo. The question was, a great big question mark, headlined in the Free Press — "Did the Minister of Agriculture realize a gain on his land because of a road being built?" It didn't say he did, it just put the question there. That's the most they could come up with, Mr. Speaker, is innuendo, and they had the participation of my friends opposite. That is a pretty empty position on the part of the political opposition, Mr. Speaker, to have to resort to innuendo as their basis for an attempt to topple the government. And, Mr. Speaker, this is not the first time, this is not the first time. The same characters employed by the Mafia-oriented Press have been attempting this for some period of time, have been — Mafia-oriented or Mafia-style Press in Manitoba. They have attempted this many times before and will again in the future. We are not surprised. We have been fighting battles with the Winnipeg Free Press for a good number of years and we'll continue to do so. Notwithstanding their editorials and mischievous press reporting, we have been able to sustain our credibility, Mr. Speaker.

Mr. Speaker, Mr. Ward from the Winnipeg Free Press happens to spend a lot of time in my own particular neighbourhood, hoping to uncover something, hoping to uncover something. And what he does uncover, Mr. Speaker, he doesn't print, or at least he doesn't print it in full context — he even gets the cooperation of the Member for Morris, who raised the question — so that the story he put together, he can attribute to somebody else as having raised. And then he goes out into the community and attributes statements to my neighbours, who claim they have not made such statements on the other media. That is the kind of nonsense we are involved in. That is the kind of muckraking that members opposite are attempting, Mr. Speaker, and it isn't going to wash.

I want to point out, Mr. Speaker, that with respect to the Member for Morris, and his suggestion that I personally would be involved in land speculation. . . . You know, I would like to tell him that at least my interpretation or definition of land speculation would mean that one buys and sells on a continuing basis, not that one disposes of a landholding period. There is quite a difference, quite a difference.

The other thing the Member for Morris would like to suggest, that there was something untoward about the value of property. He would somehow think that it is a contradiction for a person who believes that land is overpriced and that people become economic slaves through overpricing in the

marketplace, that somehow one would want to, in his own personal way, donate his piece of property to such a corrupt institution. So that perhaps the Member for Morris would be the recipient of such a donation on which he would then make his capital gain. He is kind of ludicrous, Mr. Speaker. Just ludicrous, Mr. Speaker. Because the Member knows that what he is really suggesting, Mr. Speaker, is that the Minister of Agriculture in his private affairs, should really operate on the basis of his philosophy regardless of what the rules of the game are, which would then give him a set of loaded dice, Mr. Speaker. It's a crap game with a set of loaded dice in favour of my friend opposite, the Member for Morris. That's what he is really suggesting.

Now, with respect to his Mafia colleague, Mr. Speaker, the Mafia-like operation over in the Winnipeg Free Press, it's interesting that they went over to the Rural Municipality of St. Clements. . .

**A MEMBER:** Who?

**MR. USKIW:** Oh, my Mafia-like friends over at the Winnipeg Free Press—(Interjection)— Mike Ward — and you know, they wanted to know certain things that they have carried a story on for three or four days and you know what they neglected to print, Mr. Speaker? They neglected to print that on July 8, 1969, the R.M. of St. Clements passed the following motion: "The Highways Department, Province of Manitoba, be requested to take over as a provincial road, the road known as St. Peter's Road commencing at intersection of Colville Road, PR 212 at East Selkirk, thence northerly to River Lot 117, Parish of St. Peter's, then easterly along southern limit of Section 10-11-15-5E, then south along west limit of Section 115-5E, then easterly along south boundary of Section 115-5E and south of Section 16-15-6E." This was July 8, 1969.

Where does this emanate from, Mr. Speaker? How did this get started? You know, members opposite probably don't know, but when their friends were the Government of Canada, when John Diefenbaker was Prime Minister, I had a neighbour who was Member of Parliament, Mr. Speaker — I had a neighbour and a friend who was a Member of Parliament in that government who came around between 1959 and 1962 and he said, you know, we've got to get a road into this area because we've got St. Peter's, the historic church, and somehow under the Historic Sites thing, we're going to get this road into this area. That's where it started, Mr. Speaker.

But you know, they never delivered, Mr. Speaker. Mr. Speaker, they never delivered, and when the government in Manitoba changed hands, and I don't know whether they received resolutions from St. Clements, I have no idea, Mr. Speaker, because when I walked into my office, the Department of Agriculture, in 1969, there wasn't one shred of paper there. There were no files, so I don't know what kind of representations that were made to my friends opposite when they were the government because they took it all with them.

When I asked the Member for Lakeside privately — and I'm sure he won't mind admitting to it, Mr. Speaker — I said, to the Member for Lakeside, "Why is it that there are no files in the Department of Agriculture? Didn't people have any problems? Wasn't there anything ongoing that we should know about? Surely there must have been briefs and presentations and correspondence, unfinished business?" And the Member for Lakeside said to me, "When we were the government, everything was well; there were no problems, that's why the cupboards are empty."

So, Mr. Speaker, I don't know whether the R.M. of St. Clements had sent in resolutions like this one when they were the government. I have no way of knowing it. I know that they were bragging about going to do it — not them, but their Federal counterparts, under a Historic Sites arrangement — but never got it done, Mr. Speaker. And one of the reasons they perhaps didn't get it done is because they started backstabbing amongst themselves and destroyed their own government in Ottawa. That's perhaps one of the reasons they never got it done.

**MR. SPEAKER:** Order please.

**MR. USKIW:** Mr. Speaker, the road that was being proposed by the R.M. of St. Clements took its path past the property, Mr. Speaker, that I have just entered agreement of sale on. But Mr. Speaker, the investigative reporter from the Free Press — if you can call him that — didn't report, Mr. Speaker, that it was the Minister of Agriculture, the local representative there who said, "No, we don't agree with that proposal. The road shouldn't go that far. We'll take it past the populated area and no further." And therefore, it never got to the point, Mr. Speaker, of the property in question. But that was not reported, Mr. Speaker, by the inquisitive reporter from the Winnipeg Free Press. The property that is involved continues to be on a municipal gravel road, Mr. Speaker. It's a half-mile away from this particular road.

It was my own intervention and persuasion on Council to change their resolution for a shorter route to 59 Highway that really took away from my own particular land area, or reduced the benefits to my own land in question, Mr. Speaker. My own actions, in an effort to convince Council that they were asking for too much, that it made sense to go to a certain point and after that — and by the way, the area that they were asking this road to be built into, if we followed the resolution, would have taken it into the floodway which was subsequently bought up by the Crown in any event. We knew that this was happening and we encouraged them to compromise their position. We recognized the

historic site at old St. Peter's and we recognized that the road should be connected to 59 Highway, at least it should be taken beyond the populated area, and at that point we would go no further.

So the Member for Morris and his friend at the Winnipeg Free Press could indulge in all sorts of fun and games, Mr. Speaker, but when the local people there hear these stories, they wonder where it comes from. How could it be so when we know that it is not so? That is the kind of question that arises in the local community. So it's not an attempt, Mr. Speaker, to embarrass the Minister of Agriculture in his own neighbourhood because the neighbourhood knows the story. It's an attempt to try to tell the people of Manitoba that there is something wrong with the Government of Manitoba. It is the people that don't know that they are hoping to influence.

Mr. Speaker, I have been used to rumours emanating from Conservative circles for quite some time. This isn't the first one. A year ago, more than a year ago, Conservative circles in the community, and there are a few Conservatives in the area, Mr. Speaker, have it that I happen to have an interest in a concrete plant. They tried to use that on Gary Scherbain, who then subsequently — by the way, he used to be an assistant to I believe it was the Honourable Member for The Pas at that time, Mr. Carroll, as I recall it — tried to use that on his radio program with a great big question mark. "Does this Minister have an interest in this concrete plant?" That was the rumour going about the area — and I'm still asked about it by people in the community, you know — tying that in with the satellite city, that if we only get these houses built, the Minister will sell all the concrete to the government to build these houses. That's another one of their rumours, Mr. Speaker, in the area.

Mr. Speaker, I can tell you — (Interjection) — Oh that's not a new one, that was on the Gary Scherbain program . . .

**MR. SPEAKER:** Order please.

**MR. USKIW:** Mr. Speaker, that was on the Scherbain program, over which he sent a letter of apology the very next day, after having checked it out.

Mr. Speaker, I will tell the honourable members opposite that they even have my land tied in with the satellite city, that is, as far as the Free Press story is concerned. The Member for Morris raised it in the House when he spoke on this bill: "Is there some connection? Is the Minister going to sell his land to the Crown?" He knows it's several miles apart but he knows that in terms of the public of Manitoba, they don't know that it's several miles apart. And that is the kind of campaign that they are launching, Mr. Speaker, in the hopes of establishing some credibility on their side. And Mr. Speaker, if that is all they have to offer the people of Manitoba, it is nothing. It is less than nothing, Mr. Speaker, it is demeaning of themselves.

Mr. Speaker, I want to — (Interjection) — Well, I don't know what Order in Council the Member for Morris alludes to. But anyway, Mr. Speaker, in any event I want to point out in my closing remarks on this bill, that we will look forward, Mr. Speaker, to the contributions of the public in the Committee on Agriculture — (Interjection) — Is it Law Amendments? All right, Law Amendments, and that hopefully we will be able to come up with a final document that is going to be more acceptable to the people of Manitoba.

**QUESTION put, MOTION carried.**

**BILL (No. 40) — AN ACT FOR GRANTING TO HER MAJESTY  
CERTAIN SUMS OF MONEY FOR THE PUBLIC SERVICE OF THE PROVINCE  
FOR THE FISCAL YEAR ENDING THE 31ST DAY OF MARCH, 1978**

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

**MR. PAULLEY:** Bill No. 40 please, Mr. Speaker.

**MR. SPEAKER:** On the Proposed Motion of the Honourable Minister of Finance. The Honourable Member for Gladstone has it for the Honourable Leader of the Opposition.

**MR. LYON:** Thank you, Mr. Speaker . . .

**MR. PAULLEY:** Mr. Speaker, just on that point, it has been raised before by the Honourable, the House Leader of the Conservative Party, I believe, as to a member taking an adjournment for somebody else. I have no disagreement with this but I do just want to establish the point that was raised, I believe by the . . . He did not?

**MR. JORGENSON:** No.

**MR. PAULLEY:** Then I'm raising no objections at all.

**MR. JORGENSON:** All I want to point out to the Minister is that the objection that I raised, that a Member on the Government side could take the adjournment ostensibly for the purpose of closing debate, not just taking it for somebody else.

**MR. PAULLEY:** Okay, that's acceptable to me, Mr. Speaker.

**MR. SPEAKER:** Order please. Neither point of order really is cogent at the moment because as I pointed out when the Honourable Member for Morris raised that point, the Chair always takes precautions to inform that debate shall be closed by the last person. The Honourable Leader of the Opposition.

**MR. LYON:** Thank you, Mr. Speaker. For the sake of the record, I am taking the debate which

stood in the name of the Honourable Member for Gladstone on this bill.

Mr. Speaker, this second reading of supply, while by some regarded as a routine measure, does afford an opportunity to review to some extent the spending Estimates of the Government opposite and some of the ideas and the philosophies which animate their policies, their outlooks, their attitudes and their tendencies. It's my purpose in making these few remarks today to try to give some kind of an overview of the situation of the government *vis-a-vis* its supply expenditures *vis-a-vis* the position of the government in relation to the people of Manitoba, and perhaps a few words on what the future might hold for all of us.

I would like first of all to make a few comments about the general economy against the background of which we base these spending Estimates which are in excess of \$1.3 billion I know immediately the Minister of Finance is going to say, "Ah, but that isn't the figure," and rather than get involved in the exchange of statistics that we saw in the Public Accounts Committee, I merely suggest to him again that the fact that he has deducted from expenditures tax rebates, cost-of-living credits, municipal taxation and so on, does not relieve him or his government of the burden of collecting that amount of money from the people of Manitoba. I know he does not argue the point because really it's a method of presentation of the Estimates which is admittedly followed in some other provinces but which I have suggested, and I think he and perhaps his Deputy Minister of Finance, have agreed can perhaps be improved by displaying it in a slightly different way.

I have never suggested and do not suggest now that the Minister or his officials are trying to conceal anything from the public of Manitoba, it's rather the method of exposition. So when I speak of the figure of \$1.3 billion the Minister will know the means by which I arrive at that figure. That is the total amount that is collected; the total amount that is going to be spent will be somewhat in excess of the amount that is going to be raised through the various sources in Manitoba.

We have a situation in the province today where we have an indeterminate deficit. The deficit is not as it was stated when the Minister brought down his Budget because he immediately proceeded to bring in Supplementary Estimates and then the Work Program of \$33.5 million, part of which we realize is under Capital Supply and the other part under Current Spending Estimates. For that matter, Mr. Speaker, we do not know at this date — and I expect the Minister will be giving us the figures very shortly — as to how the books of the province totalled up at the end of the year on March 31, 1977. I would hope that in the course of closing the debate or perhaps sooner, the Minister could indicate to us what the actual deficit was last year in terms of the expenditures of the Province of Manitoba and how this relates to the forecast of deficit that was made by the Minister of Finance in the Budget Address of 1976.

What we do know for sure, Mr. Speaker, and this is a matter of concern and it's not a matter to be taken too lightly by the people of Manitoba or by this government or by the Opposition, is that we have a report of the Provincial Auditor to the Legislative Assembly in which he finds it impossible to certify the accounts of the Province of Manitoba, except subject to at least two serious reservations. One has to do of course with the method of presentation of Expenditure and Revenues within our accounting system in Manitoba. More and more provinces have adopted the Federal system which is to combine the two so that you end up with a system which a Provincial Auditor or a Federal Auditor can certify.

What the Provincial Auditor has said for the first time in the history of this province, to my knowledge, is that he cannot certify the accounts of the Province of Manitoba because he cannot certify as between revenue and expenditure items. He has no judgment to make with respect to what the government calls "Capital" and with respect to what the government calls "Expenditure." Now, immediately, my honourable friend can come back and say, "Well, of course that situation has gone on for a number of years and previous governments at previous times would declare certain items to be capital one year and then they would be current expenditure items another year."

But I think that the Provincial Auditor himself in his own carefully chosen words in Committee, shot that argument down in complete flames when he said, "Yes, that did used to go on," and remember that this man has been in the public service of this province for well over 30 years that I am aware of. He said, "That was true, but here we are today with governments spending money in excess of \$1.3 billion and I think it's a serious problem in Manitoba and that's why I can't put my certification on the accounts of the Province of Manitoba without specifically mentioning that item." And it flows in turn, Mr. Speaker, from the oft-repeated recommendation that the Provincial Auditor has made, about how the accounts of Manitoba should be managed. So I suggest at the outset, that we have a serious management problem that has emanated largely because of the presence of the NDP Party in government in Manitoba. They are not managers. They do not pretend to be managers. They are occupying positions of power on a temporary basis, and they feel that anything goes. But part of a responsibility of government, as my honourable friends I would have thought would have learned over the past eight years, is to give an accounting to the people of Manitoba as to how you're running their business. Because what is happening — the Government of Manitoba is not the business of the New Democratic Party. The Government of Manitoba is the business of all of the people of Manitoba.

**Thursday, June 2, 1977**

The Government of Manitoba is the business of all of the people of Manitoba. I repeat it again. It is not the private preserve of the Minister of Finance, or of the First Minister, or of the Minister of Labour, or any of their colleagues, or any of the members of their back bench, it's the business of all people in Manitoba.

What we do, through the instrumentality of the Provincial Auditor, is to make that man responsible to the Legislative Assembly of Manitoba, to put him above and beyond the control of the Executive Branch of government, and say to him, in statutory terms, "You certify the books of the Province of Manitoba, you tell the people of Manitoba, without fear or favour from the government, from the Executive Branch, as to how their business is being run." And Mr. Speaker, I suggest to you that it's a worse condemnation than any partisan or rhetorical condemnation that we could make from this side of the House. The worst condemnation that could be made of the mismanagement of this government, is made by the report of the Provincial Auditor. I hope that thousands of people across Manitoba will come to read that report, and will come to read the areas of mismanagement that he has pointed out; will come to read that he can't certify the books of the Province of Manitoba for last year — heaven knows what he's going to be able to say for the year that just closed, March 31, 1977.

This is an extremely serious matter. Compounded, may I say, Mr. Speaker, by the fact that when we were in Public Accounts Committee — and I mention as an aside — that the Public Accounts Committee of this Legislature has not completed its work, all we have done so far is to complete the report of the Provincial Auditor. We have not completed the review of the Public Accounts of Manitoba, or of the Supplement to the Public Accounts of Manitoba, and I suggest that this House cannot prorogue until it has completed its business, and one of its pieces of business is to complete the review of The Public Accounts of Manitoba, which has not yet been done.

In the committee hearings thus far we were treated to what I consider one of the most unusual displays that I have ever seen in this Legislative Assembly. I've been in and around this Assembly since prior to the time when I was first elected to it in 1958, and one of the most unusual things that we observed was to see the Parliamentary Secretary, or whatever the term is, Legislative Assistant, the former Minister of Finance of this province, the Legislative Assistant to the present Minister of Finance — may I say not the Minister of Finance who followed this tactic, but the Legislative Assistant — berating the Provincial Auditor of Manitoba, questioning the Provincial Auditor of Manitoba, cross-examining the Provincial Auditor of Manitoba, trying to say to the Provincial Auditor of Manitoba, by implication to the Provincial Auditor of Manitoba, that somehow or other, he was really wrong in the suggestions that he was making, or the comments that he had made, or "Why did you mention that?" The transcript is there for one and all to see, and for the Leader of the Opposition and for other members of the Opposition party to be in the position merely of asking questions of the Provincial Auditor.

Now, the Provincial Auditor is an independent officer of this House. And for an independent officer of this House to be cross-examined, I won't use the word "berated" but I will say, harassed, in the Public Accounts Committee, by the Legislative Assistant to the Minister of Finance, suggests that there is an extremely sensitive and touchy area on behalf of at least that member, the Member for St. Johns, in his protective sensitivity, may I say his overweaning sensitivity, with respect to the record of mismanagement of this government. I would hope that the Minister of Finance might have some comment to make about that particular display that went on in Public Accounts Committee, and I would hope that, not only for the record, but I would hope that the Minister would be able to say that he supports, that he, the Minister of the department, if not his Legislative Assistant, supports and encourages the work of the Provincial Auditor of this province to carry on his statutory obligations as he should, without harassment, and without the kind of cross-examination that he was subjected to by the Legislative Assistant, who should be an Assistant to the Minister.

I point out again, it was not the Minister who was the antagonist of the Provincial Auditor, it was the Legislative Assistant who was the antagonist. We want a Provincial Auditor who will tell the story, we have a Provincial Auditor who is telling the story, it may not please the Honourable Member for St. Johns, it may not please him one bit, but nonetheless, the story will be told, with or without the kind of innuendo and the kind of harassment that went on in the Public Accounts Committee.

Mr. Speaker, I say to the Minister of Finance, that in the time that is left to him in this government — and that may not be long — I say that he should give urgent consideration to the provision of quarterly reports on the financial undertakings of this government as is done in other provinces, more particularly in recent times by the Province of British Columbia. There is no reason why the biggest business in Manitoba, that is the Province of Manitoba, there is no reason why the Province of Manitoba should not be reporting to its taxpayers, especially when it has a government whose record of mismanagement is so patent throughout the length and breadth of this province. So quarterly reports are required. They're required, not only when you have a government that's a bad manager, as was the case in British Columbia up until they got rid of them, quarterly reports have a purpose in governments that are being well managed, in order that the public will know, on a quarterly basis, how their own tax dollars are being spent.

(1) We should have those quarterly reports; we should have them immediately.

(2) The Provincial Auditor said, in the course of his remarks, before the Public Accounts Committee, he was cross-examined again by the Member for St. Johns, but the Provincial Auditor said that the preparation of the Public Accounts is completed sometime in mid-year, and that with the supplementary material that would be necessary, my recollection — and I'm only going by recollection at this stage, it's in Hansard however, — is that the Public Accounts Committee of this House could be sitting as early — to use this year as an example — as early as September of 1977, to start considering the books of account of the Province as at March 31, for the year ended March 31, 1977.

Now, Mr. Speaker, if the Provincial Auditor is prepared to undertake that kind of a review, as he has encouraged in his recommendations that are contained in his report — (Interjectio— Yes, a non-partisan review of the Public Accounts, non-partisan, you can argue over the term non-partisan, I would myself. The important thing is that the Public Accounts Committee of the Province have immediate access to the Public Accounts so that they can begin their review in a meaningful way, in order that they can return to the taxpayers of Manitoba some system of accountability of the massive amounts of money that are now being expended on their behalf, after having been extracted from them by way of taxation.

If the Provincial Auditor of Manitoba says it can be done I would like to hear the Minister of Finance suggest to us what the policy of the government is going to be. The Provincial Auditor said that this would be one way in which one could carry out some of the recommendations that he has made about more accountability to the Legislature and to the members of the House, and thereby to the public.

(3) I think we should proceed immediately, Mr. Speaker, to adopt the substantive recommendations that were made by the Provincial Auditor in his report to the Legislative Assembly of this province, contained in the Blue Book for the year ended March 31, 1976.

And remember this report, Mr. Speaker, when we were considering it back in the month of April, I believe it was, or May, was already 15 months old, that is the year under consideration was 15 months old. So the recommendations that the Provincial Auditor has been making, the recommendations that we have been making, on this side of the House, have to do with a speeding up of the accountability of the Government of Manitoba for the obligations which they undertake when they become members of the Executive Council subsequently members of the Cabinet of Manitoba, charged with the responsibility of carrying on public affairs in a prudent way.

Mr. Speaker, I was talking about the background of the economy against which these Estimates must be considered; against which the report of the Provincial Auditor must be considered, and I would like for a moment to digress and to read some comments that I think most reasonable people would endorse, with respect to where we, as a country, where we as a province, are going, having regard to government's role, government in the collective sense, Federal, Provincial and Municipal, where we, as a people are being taken by the overintrusiveness of government this day, and where in particular, this Government of Manitoba is probably breaking almost all of the rules of economic logic that are being laid down by the respected and thoughtful commentators and economists in every part of the western world.

I suppose it's a fact of life to everyone except my honourable friends opposite and some of their ideological brethren, that the doctrine of Mr. Keynes have pretty well, of Lord Keynes, have pretty well been washed down the drain now and are considered to be part of the economic history of the world. I suppose it's an acknowledged fact of life to most people in the western world that the doctrines expounded by John Kenneth Galbraith are really not terribly sound when it comes to running a country, or a government of any sort. I've made the comment before, and I repeat it, that John Kenneth Galbraith is one of the most interesting writers that I've ever run across, but his problem is that he also has pretensions of being an economist, and while my honourable friend, the First Minister of this province — I think he's still the First Minister of the province, we see him occasionally in the House for ten or fifteen minutes every day, we see him occasionally in the House, we never see him in the committees, he's out in different places, but we judge that he's still around — Mr. Speaker, I judge from some of his comments, I've never heard them in the House, of course, but in some of the rambling interviews that he has given with out-of-town press people and others with whom he consorts, that he thinks John Kenneth Galbraith is of course the anointed Saints in the field of economics today and he is still, presumably kissing the rather tattered hem of Galbraith's economic robe, which is pretty mud-bespattered in most other parts of the world.

That being the case, we both honour Galbraith, I honour and acknowledge him as a good writer, I only wish that the First Minister of this province wouldn't honour and acknowledge him as an economist, because he is not. He is not one whose dicta deserve to be followed.

There were comments made recently in a speech by a source that I know will immediately be condemned by my honourable friends opposite, because he was an American first of all, and of

course, to be a good NDPer, you must first of all, be anti-American. But he was an American, he was a senior member of the American Cabinet, the Honourable William Simon, who was the Secretary of the Treasury for a good number of years. —(Interjection)— My honourable friend, the so-called Minister of Privies, talks about anyone being a Simple Simon, all he has to do is look in a mirror.

Mr. Speaker, Mr. Simon was in Canada recently making a speech, and he was making it to a group that I know my honourable friends would not agree with, it was a group of the Progressive Conservative Federal Party, and he had some of these comments to make, and I would like to put them on the record because I think they make an awful lot of common sense, for all countries that value individual freedom. I happen to believe, as I've said before, that my honourable friend, the Minister of Finance, does value individual freedom. I believe that his colleague, the Minister of Health, values individual freedom. There are other members across the way who haven't even raised their sights to think about it. But there are, I know that there are some members who will understand what Mr. Simon is talking about, and where this country, and where the western world is going if governments continue to act and react in response to the kind of pointless and mindless and wrongheaded policies that many governments, not only this one, not only this one, but many governments, have been following in recent years.

One of the comments that Simon started out to talk about in terms of shared issues of concern, he said this: "Despite the remarkable material gains" — and he was talking about Canada and the United States — "many people in our countries are increasingly dissatisfied with their way of life", and I'm quoting "Now the basic drive for self-improvement to help those less fortunate, and to raise the equality of life within our societies is commendable, especially when it is channeled into more creative and productive patterns of conduct. But there is also an unhealthy aspect, and that is the degree of the cynicism and negativism that we find in both countries today. In the United States at least, this ugly mood, in my judgment, is the result of the clear demonstrated failure of collectivist big government approaches to our national problems, approaches that promise so much, but delivered so little. However, but rather than turning away from government, the mood of dependence on the government has only increased, feeding upon itself to create more and more demands for benefits, without realizing that one day the bills must be paid, either directly through higher taxes, or indirectly through more inflation and attendant economic instability. A day of reckoning is upon us", he continued, "the longer we delay the hard adjustments, the more difficult and costly the solutions will become and if we delay too long, the opportunities to restore economic progress may be lost."

He then went on to talk about how governments, in the general sense, resolve conflicting claims and try to arrive at those solutions that are in the long-term public interest. He said, "You know in weighing these claims, let us bear in mind that the most important element in our society is the freedom and dignity of the individual. No matter what material progress may be promised, the loss of personal freedom and dignity is too great a price to be paid in exchange for these promises. In short, as we decide what kind of economic and political systems will best serve the long-term interests of our people, we must always place our highest priority upon the values that undergird our national greatness."

That is a paragraph that I suggest, Mr. Speaker, in purely non-partisan sense, that should be emblazoned on the wall of every legislator in Canada and the United States to realize what are the fundamental qualities that we must sustain and nourish in this country and in this province if we are to have the kind and quality of life that we want for all of our people for generations to come.

Mr. Simon goes on, and I quote. "Everytime the government comes up with a new policy initiative, there is a single question that ought to be asked. Will this initiative contribute to sustained orderly economic growth or will it merely perpetuate the familiar stop and go patterns of the past, adding to our chronic deficits, leading to an excessive expansion of the money supply and then even more government control over the private economy and increased intervention in private wage and price decisions? If a proposed government policy cannot successfully meet this standard, then I submit to you that it should be cast upon the scrap-heap of history."

Well, Mr. Speaker, one could go on and read many other excerpts from this speech because it deals with fundamentals of approaches that governments, be they socialist, be they quasi-socialist, be they Conservative, Social Credit or whatever, are going to have to consider and to consider fundamentally. I think it was Mr. Simon who pointed out that even someone as thrice-dipped a socialist as Callaghan, the Prime Minister of Britain, had now come to the late-in-life realization that the ideological impulses which had stirred that disastrous government were not working but were taking the people of Britain down an economic path of degradation, the likes of which not even the socialists had imagined. I say, and I say again, that if we can't learn a lesson from Britain today, then we are blind to the world around us. I say to this government, for the remaining weeks or months that it's in office, learn that lesson and learn that lesson well because you can't — no matter how much you want to try it — you can't take the resources of the Province of Manitoba or the Government of Canada and spend more than you are producing within the country. It's that simple. We are doing that in Manitoba today; we're doing that in many other provinces in Canada today; we're doing that

nationally in Canada today and ruining thereby what could be a good economy. A country of this size running a deficit at this time with increasing inflation, with increasing unemployment — and the two are married together, they are not separate phenomena, one results from the other — and you have got to cure inflation before you are going to get at the root cause of unemployment and anyone who doesn't know that, doesn't even know the alphabet. If you can't do that, if you can't put into process those kinds of policies to rescue your national economy, then you are going to be on the same slippery slope and into the dregs of economic disaster where the people of Britain are already standing up to their knees.

Well, Mr. Speaker, we all share concern, I think, that is those who think about it, we all share concern about the fact that in Canada today, the three levels of government — and Mr. Simon pointed this out and another speaker on the same panel, Mr. Simon Reisman, the former Deputy Minister of Finance of this country, pointed out the same thing, that the 45 to 47 cents of the gross national product, 45 to 47 cents of every dollar of wealth produced in this country today is now being spent by the three levels of government.

I repeat a proposition which should, again, remain known to all people who take any interest in government, that is exactly the position that Great Britain was in in 1962. They were already on the slippery slope and they didn't know it. We're on the slippery slope today; we've got the message from Britain as to what happens; we see what happens, and it is imperative, Mr. Speaker, on every government in Canada, on every government in Canada, to make sure that the part that government plays in extracting the wealth and redistributing it or whatever function it does with it — wasting it is one of the great things that most governments do, this one has a particular record in that regard — Mr. Speaker, we've got to make sure that the government's proportion of the GNP remains at a relatively constant factor until we can get this economy back on track. Sixty-two cents out of every dollar in Britain today is being spent by government and they've only got two levels of government over there. Last year, the Chancellor of the Exchequer brought down a budget and said, "We've got to go on a crash program to bring that down some eight to ten points." In other words, we've got to stop government spending, we've got to curb back nationalization tendencies because we haven't got the money to support them, we've got to cut back the waste in government and bureaucracy and get back down to about 48 to 50 cents out of every dollar. That's where Britain, under a socialist Chancellor of the Exchequer would like to be today. Mr. Speaker, that's where we as a nation are within a point or two of being today. If that doesn't ring some gongs of alarm in the minds of anybody who thinks, in a global sense, about the economy of this country or the economy of this province, then he must be either blind or a fool because, Mr. Speaker, that's precisely the position that we're in today. What is unfortunate about the . . . Unfortunate, it's worse than that. What is indefensible about the position of this government as enunciated by the Minister and by the First Minister on those few occasions when he deigns to speak in this House. What is unfortunate is that there seems to be a total blindness to where the national economy is going, to where the provincial economy is going. A total blindness manifested by the fact that we now have a . . . what? A make-work four-month work program — \$33.5 million, every nickel of it to be borrowed, every nickel of it to be borrowed — to bolster up what is the worst job creation record of any province in Western Canada, where, in the last year — and these are Statistics Canada figures and I know my Honourable friend, the Minister of Public Works, doesn't read figures too well, he doesn't even know how to measure the height of buildings let alone read figures too well — for every 100 people coming onto the work force in Manitoba there were jobs for 29; for every 100 coming onto the work force in Saskatchewan, there were jobs for roughly 58; for every 100 coming onto the work force in Alberta, there were jobs for 70-odd. I haven't got the exact figure. For every 100 coming onto the work force in British Columbia, there were 107 jobs. Their unemployment is coming down now. Their unemployment is coming down, their job creation record — my honourable friend wouldn't want me to mention the most obvious reason: they got rid of their disastrous socialist government 18 months ago. You know, my honourable friend's kissing cousins in B.C. managed to denude the Treasury of that province in just three and one-half years. My heaven, Mr. Speaker, what are we going to find when we get into the mothballs here, what these people have been able to do in eight years? We know what Mr. Bennett found. On what was supposed to be a balanced budget, Mr. Bennett found a \$581 million deficit within three to four months of when the alleged budget was brought down.

**A MEMBER:** The balanced budget.

**MR. LYON:** I have more faith in my honourable friend, the Minister of Finance, to suggest by any means that he would put his name to any budget that would try to conceal real facts. I wish I could share that confidence among some of his colleagues. I say that we are going to find — and we anticipate finding — within the operations of the Government of Manitoba, fiscal skeletons the likes of which my honourable friends probably wouldn't want even to dangle and rattle for awhile. So, Mr. Speaker, what I say is disastrous about these Estimates and about the Budget is that the major background against which we must consider the economy of this province and of the country is a matter that receives not even passing attention from my honourable friend in his Budget Speech or

from the comments that are made by the various Ministers when they are talking about the future of this province.

You know, from time to time, we hear our socialist friends opposite try to tell us that it is big management that causes inflation. They even, from time to time, say sometimes it's labour demands — they wouldn't use the word big labour — but there is one quote I would like to give them from the speech that was made by Simon Reisman on May 11th. Well, for the benefit of the Honourable Member from Wherever who perhaps is not familiar with national finance matters, Simon Reisman was the Deputy Minister of Finance of the Government of Canada for a good number of years, a man that I am sure my honourable colleague, the Minister of Finance, had to work with over the years and a man who carries some respect in most quarters across Canada even if he is not known to the Member for St. Matthews.

Simon Reisman made this comment. He said that he was reviewing the Federal Government paper, "The Way Ahead," and he said, "You know, the problem with that paper was that it didn't diagnose properly the causes of the inflation in Canada, and if it didn't diagnose the causes correctly the prescription that it makes for its cure is obviously going to be wrong." He goes on to say — and this is a man who has been in the public service again for some 30-odd years, now retired from the public service and a private consultant, he said, concerning Canadian inflation and I am quoting now from his speech of May 11th, "The basic cause of inflation, in my view' is the long period of excessive demand pressures injected by governments through overly expansive, monetary and fiscal policies."

Now, I know very well, and so does my colleague, my friend, the Minister of Finance, that this government has no control over the printing presses in Ottawa. The monetary side, the Provincial Governments have no control over as yet. I might suggest that when we come to consider a new constitution for Canada, as we may well be doing, that the Minister of Finance of any province should well consider whether or not there should be some representation on the Board of the Bank of Canada from the provinces because of the roles, the tremendously important and growing roles, that provinces and municipalities play, not only in the fiscal health of the country but indeed in the monetary health of the country and in the responses that the Federal Government must make on the monetary side because of unilateral actions that are taken by the provinces and the municipalities in the lending markets of the world and so on. But that's another problem that we can talk about another time.

But Reisman is identifying very clearly once again, and you won't hear this from the John Kenneth Galbraiths or you won't hear this from the disciplines of Keynes, those few who are still so intellectually slothful they would follow that doctrine, what you won't hear from those people is that governments have caused the recent round of inflation in the Western World. They have. And it wasn't just this government in Manitoba. I don't want them to accept the hair shirt entirely, they only need wear some of the cuffs of it. The Federal Government could take the body of it and the other provinces in Canada and the municipalities could account for the sleeves and the back. — (Interjections)— The hair shirts. Very much the same kind of overspending, very much, but Germany controlled it perhaps better than anybody. Germany controlled it perhaps better than anybody. My honourable friend of course is not so naive as the Minister of Agriculture to say that Germany has a Social-Democratic Government. The answer is very clear. Germany has, in name a Social-Democratic government which has the extreme wisdom not to practice its ideology. That's the best kind of social-democratic . . . in fact, that's the only kind that should be tolerated, one that refuses to practice its ideology.

So, those were the causes of inflation Reisman goes on to indicate, and I am quoting from him with the benefit of hindsight and we are all wiser after the fact, "With the benefit of hindsight it is now evident that these problems were seriously aggravated in this country because of the exaggerated notions that we have of our economic strength and the prowess of governments as planners and managers." He goes on to say — and remember he was the Deputy Minister of Finance when a lot of these programs took place — "Major new social programs were launched and existing ones substantially expanded and we all supported them. Medicare, Old Age Pensions, Family Allowances, Post-secondary Education, Unemployment Insurance and so on, all aimed at creating a more just and equitable society." I pause merely to say to my honourable friend, the Minister of Health, that if he is still back in Grade 10 trying to argue the difference between socialism and social reform, he can have that argument with some Grade 10 class. He doesn't have to have it with me; he doesn't have to have it with me because I passed through that at about Grade 10. I wish he would catch up to the rest of us.

Mr. Speaker, to continue on with the quotation. "The major new social programs were launched. While the goal, of course, was worthy, the cost was massive. Over the twelve-year period from 1965 to 1976, government spending as a proportion of national output leaped from 30 percent to near 44 percent." And we're up to 45 to 46 cents out of the dollar now, or percent. "The monetary policy accommodated this dramatic shift. In a five-year period, the Government of Canada expanded the money supply by 120 percent at a time when the real economic growth in the country was

approximating 3 to 5 or 6 percent a year." Well, you can't operate that way. That's like saying to the fellow who has debts out all over the place that he can achieve financial stability by going and borrowing more money. He can't do it. He's going further and further down the drain. May I say, just in following through that example, that the only reason I suggest why you have people such as the Prime Minister of Britain and his Chancellor, Healey, now coming around to some fundamental economic sense is because they don't really run the government of Britain anymore. The International Monetary Fund is dictating the financial policy of Great Britain today because they are in trouble up to the point where they have to float loans, now on an average of about what — one every eighteen months — in order to keep their currency afloat. They've got what they call a 50p dollar — a 50 pound I should say, a 50p pound in Britain today — and that's one of the most predictable kinds of results that you can get when you get governments trying to absorb too much of the wealth of a country, trying to extract too much by way of taxation, trying to involve itself too much in people's lives and say, "We can do it better, trying" — and remember these words as this government does in practically all of its legislation — "to socially overmanage, to socially overmanage the lives of individual people."

Well, Mr. Speaker, one of the quotes that was used by the former Secretary of the Treasury in the United States was from Edward Gibbon and in respect to government spending too much, Gibbon of course, writing about the decline and fall of Rome, wrote, "In the end, more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it all — security, comfort and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from then Athens ceased to be free."

Mr. Speaker, I think too, that that is a quotation that should be emblazoned on the office of most legislators in North America. We have got to put a stop to the kind of mindless extraction of money from the taxpayers and the tax producers of this country and let the private sector of the economy begin to function again to create the jobs to create the wealth that has conferred upon the people of this country the greatest material benefits since the dawn of civilization — the greatest material benefits. — (Interjection) — Mr. Speaker, that of course is what I could never understand about the philosophy which is embraced by my honourable friends opposite. Some clutch it to their breast; others, like the Minister of Health, hold it at arm's length and say, well, I really don't believe in all of that nonsense but I want to be Minister of Health so I'll go along with some of it. He holds it out. — (Interjection) — No, no, I would never join the front bench of that kind of a government. My honourable friend has demonstrated what he is prepared to do.

**MR. SPEAKER:** Order please.

**MR. LYON:** Mr. Speaker, I was giving my honourable friend the benefit of the doubt. I said he was holding them at arm's length; if he wants to hold them to his breast, that's his business. If he wants them in there, that's his business. — (Interjection) — Mr. Speaker, I'm happy to hear the Minister of Health now say that he is an anointed disciple, thrice anointed with an extra pail, I would imagine, of the anointing oil, with the doctrines of my honourable friends opposite, the doctrines which are manifested in what we heard today from the Minister of Agriculture. What can only be described in other speeches by the Member for St. Johns when he was talking on the Insulation Bill the other day, as a frenzied kind of antipathy to the private sector. And I think that by philogistic reasoning, you can take it down this way. If it's a frenzied kind of antipathy to the private sector, ultimately it results, because of the wrong-headedness of the policies, in almost a frenzied kind of antipathy to individual freedom, a term that is very seldom used by any of the social democrats or whatever the euphemistic term they wish to use or call themselves by — individual freedom.

Mr. Speaker, we hear day-by-day, manifestations of this kind of attitude by this government. We hear the Minister of Industry and Commerce standing up and saying, "I want to do everything I can for small business." My heavens, he is out in front leading the band for small business — he looks behind him and he has no troops. In fact, he looks on the sidelines and he has the Premier and the Minister of Finance shooting at him in their tax structures. And the Minister of Labour is running along by his side with a knife trying to cut the drum. The Minister of Labour . . . You know this government is going to go down in history when he retires from this Legislature as the Minister of one-and-three-quarters overtime. I thought up until he brought in his bill that he might have gone down as the Minister of two-and-a-half but he's moved it down to one-and-three-quarters. He's the disciple of two-and-a-half times one; he has said so.

But we've heard this, and, you know, I have been striving over the years to find the term for it, the term as to how people such as the Minister of Agriculture look at problems. The speech that he made this afternoon with respect to private land holdings in Manitoba couldn't have been — I don't think that a Martian coming down from outer space, landing here for the first time, could have made a more disjointed speech about concepts of land holding in this province. My heavens, he wanted to go back to Lake Agassiz. We were satisfied in consideration of the land bill to go back to the formation of this province 107 years ago. He wanted to go into the Indian wars and back to the times of the behemoths and everything else, an indication that he understands — or does he — those times certainly better

than he does present times, because he has no concept of what animates land holding among farmers in Manitoba today, in this Year of our Lord, 1977, or he would never, in concert with his colleagues, have embarked upon the disastrous State Farm Program that he started three years ago and which, with his tail between his legs, he finally abandoned in the Committee of Supply in this Legislature with only a word or two of explanation and with downcast looks. You know, he is the same Minister who likes to go down and sell black beans, or whatever it is, in Cuba and come back and tell us about the great landholding system in Cuba. Well, he may think the landholding system is good in Cuba, but 99.9 percent of the people in Manitoba don't want any part or parcel of it. There are people in this House who have fought a couple of wars, or one at least, to avoid that kind of a landholding system. We don't want anything like that in this province. We're on the edge of it; we're on the way; we've got 176,000 acres of it right now.

**A MEMBER:** The biggest land baron in Manitoba.

**MR. LYON:** We're on the way, with this government being one of the biggest landlords in Manitoba, we're on the way. And my honourable friends I don't think want — I know the Minister of Finance doesn't want to be on that way; I know the Minister of Health doesn't want to be on that way. But that's the inevitable way that they are taking us. I sometimes wish that my socialist friends would read a little history. I sometimes wish that they would read a little Solzhenitsyn. I sometimes wish that they would come to understand what a precious thing this quality of individual liberty is and how we have all got to work together, Socialists, Conservatives, Social Creditors and so on, to preserve it. And we're not going to work, we are not going to be able to work together and to preserve this system if more and more of us — (Interjection)—

**A MEMBER:** No socialist could work with you.

**A MEMBER:** You're admitting you are one.

**MR. LYON:** I was prepared to accept the fact that my honourable friend, the Minister of Labour, was really not a doctrinaire socialist; I always thought he was just a decent fellow who got led astray but if he now wants to clasp that alien ideology to his breast, that's fine by me too. You know, we're getting a few more in the corral today. But the problem is that we have all got to be mindful and extremely careful about government policies and where they detract from individual rights and we've got to do what Bill Simon said and what Simon Reisman and others are saying to us. We've got to make sure that every government policy that we implement nowadays, we look at the cost of that policy down the road and where it's going to be taking our provincial economy and our national economy. And the test that I know is going to be applied in the Intercessional Committee that looks at it, is the White Paper that the Minister of Labour just brought in on Accident and Health Insurance. Nobody is going to fight motherhood and say it is not a good thing to have. But the hard question is going to have to be asked: Can we afford in this Year of our Lord, 1978, when he would like to see it up for consideration — and this government may be here until 1978 if it keeps dillydallying with the election. They have got to decide the question as to whether or not in our economic situation there is \$8 million out of the public treasury that can be used to finance that kind of a program. We may well decide that there isn't.

**MR. SPEAKER:** Order please. The hour being 5:30, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. Order please. Just a moment. The Honourable Member for Flin Flon has a problem?

## BUSINESS OF THE HOUSE

**MR. BARROW:** Yes, Mr. Speaker, they are all over there, Mr. Speaker. I would like to make a change on the Statutory Regulations Committee. The Member for Ste. Rose will replace the Member for Gimli.

**MR. SPEAKER:** Very well.