

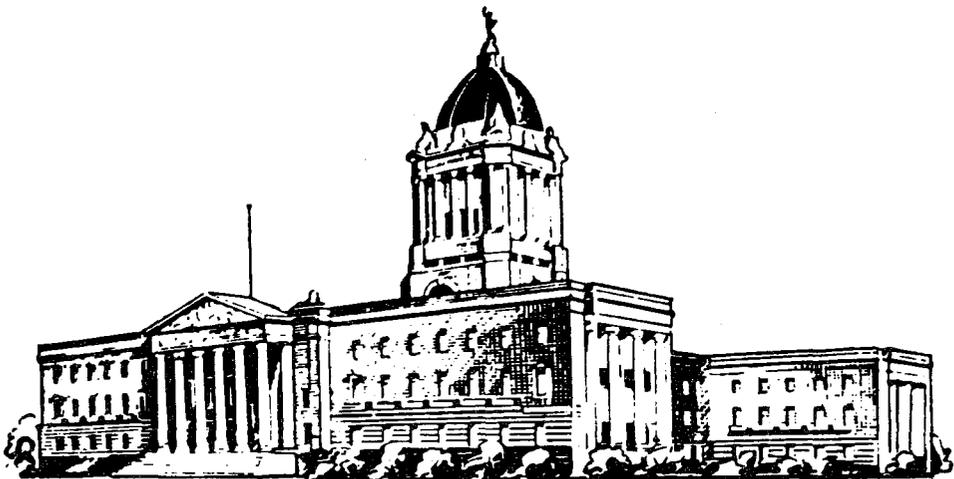


ISSN 0542-5492

First Session — Thirty-First Legislature  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

26 Elizabeth II

*Published under the  
authority of  
The Honourable Harry E. Graham  
Speaker*



Vol. XXV No. 15A

2:30 p.m. Tuesday, December 6, 1977

# THE LEGISLATIVE ASSEMBLY of MANITOBA

Tuesday, December 6, 1977

Time: 2:30 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Honourable Harry E. Graham (Birtle-Russell):** I should like to direct the attention of the Honourable Members to the galleiy on my right where we have 61 students of Grade Four standing of the Crestview School. These students are under the direction of Mr. Buck, Mrs. Hanley and Mrs. Smeaton. This school is located in the constituency of the Honourable Member for Assiniboia, the Minister of Labour. On behalf of all the honourable members, we welcome you here today.

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.

## ORAL QUESTIONS

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

**MR. SIDNEY GREEN:** Mr. Speaker, I would like to direct a question to the Honourable Minister to whom the Manitoba Development Corporation reports. Is the Minister considering dispossessing the people of Manitoba with Dormond Industries which failed under private enterprise, badly managed inefficient private enterprise, and has made a profit year after year under efficient public management by the people of this province?

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

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, it is our intent to get the government out of business and to reply to that question, yes.

**MR. SPEAKER:** The Honourable Minister for Inkster with a supplementary.

**MR. GREEN:** Mr. Speaker, a supplementary question to the Minister of Industry and Commerce. Is the Minister's intention to dispossess the people of Manitoba in the following corporations which are showing a profit or a positive cash flow, namely: Tantalum, Flyer Industries Limited, Dormond Industries, McKenzie Seeds — I won't deal with the utilities — Cybershare, all of which are making a profit in the public sector, all of which were having very bad difficulties in the private sector, because the Conservative administration is embarrassed to be operating industries that are making a profit?

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

**MR. BANMAN:** Mr. Speaker, all those companies that the member has mentioned will be dealt with in due course. It is not our intent to keep government involved in business or to get government involved in business, and given those sets of guidelines it is our intent to get as many companies that we presently own into the hands of private individuals.

**MR. GREEN:** Mr. Speaker, a question to the same Minister. Is it the government's intention to stop, to put a freeze on public funds being advanced to private sector companies such as McCain Foods, represented by the Member for Portage?

**MR. BANMAN:** Mr. Speaker, the previous administration along with the Manitoba Development Corporation gave the go-ahead on the McCain Food loan and as a result this administration will carry that policy forward.

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

**MR. HOWARD PAWLEY:** Mr. Speaker, my questions are directed toward the Honourable the Attorney General. In view of the statement in Saturday's Tribune by the Executive Director of Legal Aid in Manitoba that nobody knows for sure and nobody can know for sure whether or not there are additional costs introduced by the Family Maintenance Act or The Marital Property Act T in view of the honourable member's earlier statements to the effect that the Executive Director had indicated that this legislation would bankrupt Legal Aid of Manitoba, has he contacted the Executive Director of Legal Aid, Manitoba, to find out how come the discrepancy?

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

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, I thank the Honourable Member for

**Tuesday, December 6, 1977**

Selkirk for raising this matter. In making my introduction to this particular bill and including a reference to a comment by the recently appointed Director of Legal Aid, I asked that the particular comment to which my honourable friend refers be confirmed and it was in fact confirmed to me by staff members. But since then I have had a communication from the Executive Director who is not as positive as I indicated to this assembly, and he did indicate that no one can predict the amount of extra work that will be brought about in Legal Aid as a result of the proposed legislation, although it is possible that there will be a serious and heavy workload. So I hope, Mr. Speaker, that clarifies the remark. I apologize to the assembly if I misinterpreted or misinformed the House, but I had asked that that remark be confirmed and it was, and I was speaking with respect to those comments to the best of my knowledge.

**MR. PAWLEY:** Mr. Speaker, then I wonder if the Honourable Attorney-General could indicate whether or not the Executive Director may have also indicated to him that there might be less costs as a result of the introduction of this legislation as well as there might possibly be greater costs.

**MR. MERCIER:** Mr. Speaker, for the sake of clarity I would prefer to bring with me the letter from the Executive Director which will accurately relate his concerns and perhaps I can provide that information to the Member for Selkirk.

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

**MR. LLOYD AXWORTHY:** Mr. Speaker, I have a question for the Minister of Consumer Affairs. I wonder if he has had an opportunity yet to check on whether the Manitoba Telephone System is presently applying any regulatory authority that it would presume to have under the Manitoba Telephone System amendments that were passed last year.

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

**HON. EDWARD MCGILL (Brandon West):** Mr. Speaker, I was waiting for an opportunity on the return of the Member for Fort Rouge to respond. I'm advised by the Manitoba Telephone System that since Bill 57, an Act to amend the Manitoba Telephones' Act, has not been proclaimed, that they are proceeding in their policy administration in the regular fashion and that they are not in any way anticipating the proclamation of that Act by any decisions relating to MTS operations.

If, however, Mr. Speaker, the member does have any instances which he would assume to be somewhat at variance with that advice that I have received, I of course would expect that he would bring the particular details to my attention so that I could deal with them in a specific way.

**MR. AXWORTHY:** Well, Mr. Speaker, on that very point, could the minister confirm that at the present time the Manitoba Telephone System is establishing rates for the use of the telephone system lines by cable companies and that the Public Utilities Board of the province of Manitoba refuses to act as the regulatory authority to adjudicate on those rates, thereby leaving the province of Manitoba without any form of regulatory body to determine whether the rate structure for the use of the cable is in fact proper or fit or in the public interest?

**MR. MCGILL:** Mr. Speaker, I don't believe I know that at the present time the public Utilities Board has been requested to deal with a certain application for rate increases and they are endeavouring to determine whether in this particular instance their authority includes that determination. This is a matter that will be determined in the courts of Manitoba and, if the determination is that in fact the Public Utilities Board does have jurisdiction then they will deal with it.

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

**MR. AXWORTHY:** A supplementary, Mr. Speaker. Could the minister indicate then, in that particular case does the government of Manitoba either through the Department of Consumers Affairs in its communications planning section or through the Manitoba Telephone System, does it intend to introduce any brief or writ into that particular court case, to assert what the regulatory authority the province would like to see operated, in terms of regulating the use of cable systems in the province?

**MR. MCGILL:** Mr. Speaker, I can speak on behalf of the Department of Consumer Affairs. The department will not be involved in any way in the actual proceedings but merely to observe the way in which this is dealt with by the courts and to receive that decision.

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

**MR. RUSSELL DOERN (Elmwood):** Mr. Speaker, I wanted to direct a question to the Minister of Education. Yesterday I asked him a question concerning the apparent development of more small parentally-operated private schools in Manitoba, and I want to ask him how he intends to monitor

**Tuesday, December 6, 1977**

these schools, whether it would be through the reinstatement of inspectors, and if so, whether this would then extend beyond and apply to the old inspector system throughout the province?

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

**MR. KEITH A. COSENS(Gimli):** Mr. Speaker, we will be monitoring these schools in the same fashion as they have been monitored in the last eight years. People from the department go out and spend time in these schools looking at the standard of education that is being practised and at the certification of the teachers in the schools.

**MR. SPEAKER:** The Honourable Member for Elmwood, with a supplementary.

**MR. DOERN:** Mr. Speaker, I would like to know, just from what the minister said, whether he intends that the teachers in those schools all be certified or whether they have some designation or authorization from the department.

**MR. COSENS:** Mr. Speaker, once again to the honourable member, this has been a goal and an objective I am sure of the government in the past eight years and it is a goal and objective of this particular government to see that teachers in these schools are qualified.

**MR. SPEAKER:** The Honourable Member for Elmwood with a final supplementary

**MR. DOERN:** Mr. Speaker, I would ask a final supplementary. The minister seems to imply that there will be a minimum standard of qualification for the teachers and a minimum standard in these institutions or whatever they are. Nevertheless, he is quoted in the paper today as saying that even though they may not meet minimum basic education standards they will not be closed. I ask him whether or not there will be a minimum standard and if so, how he explains his comment that there will not be any?

**MR. COSENS:** Mr. Speaker, once again I would say to my honourable friend that the minimum standard that we would be prepared to accept is probably the same minimum standard that the previous government was accepting in the same type of school.

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

**MR. BILLIE URUSKI(St. George):** Thank you, Mr. Speaker. I would like to direct a question to the Minister of Agriculture. Last week we discussed the matter of feed assistance — with deteriorating hay — for farmers of the Interlake and Westlake areas. Has the minister been, in the last week, contacted by municipal representatives and farmers pursuant to his earlier statements that there will be no assistance

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

**HON. JIM DOWNEY(Arthur):** Mr. Speaker, I have received several reports from the Department of Agriculture field service. I have been in touch with rural municipal representatives; I received a phone call the end of last week; we have a meeting arranged with the people from that area, some of the people, to discuss the matter in that particular area of the province because it is more of a quality condition rather than a quantity. We have offered the service of the feed test facility at the University to determine just what the quality is of the hay that they are concerned about.

**MR. URUSKI:** Mr. Speaker, in light of the answer that the minister has given, is he aware, or has information been brought to him that there is also an acute shortage of hay in one area in particular and that is the central Interlake area as a result of the heavy late summer and early fall rains.

**MR. DOWNEY:** Mr. Speaker, the information that I am receiving from our department people is that there seems to be a sufficient quantity of hay or straw and quite a number are quantity listed for sale throughout these different regions.

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

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Honourable the Minister of Finance in his capacity as minister to whom the Manitoba Hydro reports. In view of the fact that the Minister of Northern Affairs has informed the Manitoba Metis Federation that direct representation by their organization on the board of directors of Manitoba Hydro would not be an unreasonable proposition, would the minister consider the same type of direct representation by the Manitoba Indian Brotherhood, the United Steelworkers of America, the Canadian Association of Ukrainian Canadians, the Polish National Association, the Societe Franco Manitobain, the Canadian Jewish Congress and other ethnic groups and the Canadian Legion as direct representatives on the Hydro Board?

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

**HON. DONALD W. CRAIK(Riel):** Mr. Speaker, anyone that may be appointed to the Manitoba Hydro board could well come from any one of those organizations. It's unlikely that he would belong to all of them.

**MR. GREEN:** Mr. Speaker, I quite appreciate that and I believe that that's the way the hydro board is now chosen, as people representing Manitobans generally. I am asking whether the minister considers it reasonable that there be direct representation from an organization, that is the Manitoba Metis Federation, as a representative of that organization on the hydro board and, if so, would he extend that kind of representation to the organizations that I have named?

**MR. CRAIK:** Mr. Speaker, we have only had occasion to make one appointment to the Hydro board at this point and that's the member of the legislature for Rhineland. When we come to the point where we decide on other appointments to Manitoba Hydro board, we'll take all things into consideration. Until we have to make that decision, we have no advance announcement to make to the House.

**MR. GREEN:** Mr. Speaker, I thank the honourable member for his reply. Could the House be assured that representation on the Hydro board will not be based on representation from a particular ethnic organization?

**MR. CIK:** Mr. Speaker, it seems to be unlikely that the Hydro board will be made up by specific ethnic representation, however, it's highly likely that there will be, when it is all finished, a person could say that there is ethnic representation simply by virtue of the fact that if they wish to look at a person's background they may deduce that and it will not be a direct goal.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Thank you, Mr. Speaker. In view of the absence of the First Minister and the Minister of Public Works, I would like to address this question to the Minister of Finance. There has been a statement in today's press attributed to a Mr. William J. Nevins, Chief Economist of the Canadian Construction Association that there will likely be an increase in unemployment in the construction trades in Manitoba this winter and next year. In view of this statement, is the minister prepared to recommend to his colleagues in Cabinet that the freeze on government construction-projects be now lifted?

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

**MR. EDWARD SCHREYER(Rossmere):** Well, Mr. Speaker, I believe the . . . did you want to answer?

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

**MR. CRAIK:** Well, Mr. Speaker, I didn't catch all of the member's first part of the question, but I believe I caught the main implications of his question. I heard the comment made by the person who represents a significant group in the construction industry and I would think it's not unlikely that construction will continue to be in a difficult position for a while, and it's not unlikely that employment in the construction industry is going to have some problems over the next several months. In spite of what the provincial government may do, or may not do, it's going to still remain in a difficult position. The employment statistics that were given this morning were calculated as of November 12th. They reflect a trend that was established and was well in place prior to the 12th of November, although they're showing us November statistics. It wouldn't surprise me to see the employment figures after that in the construction industry also to show an increase. Again I would point out that the revision or review of the provincial construction programs, has not had, at this point, any significant effect on the construction employment. What has probably had a much greater impact on the construction employment is the slowdown which was well under way during the last year and during the tenure of the former government in the hydro construction in the north, particularly was the delay in the limestone plant which was decided on many months ago. I suspect that that is having its impact much greater than any direct employment that would be provided by the provincial government.

**MR. EVANS:** Mr. Speaker, I thank the honourable minister for his answer, but in view of his description of worsening economic conditions this winter and next year, would he as the Minister of Finance be prepared to recommend an acceleration in construction of various worthwhile public projects, whether they be hospitals, nursing homes, public housing for senior citizens or families, and the like, in order to some extent alleviate unemployment in the next twelve months?

**MR. CRAIK:** Well, Mr. Speaker, there's no doubt that many of the projects that are of concern to the opposition as well as to the government will be moving ahead. But I must add the caution that it's very

**Tuesday, December 6, 1977**

difficult to put in the administrative hours to prioritize these while we're tied up in this legislature.

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

**MR. SCHREYER:** Mr. Speaker, a question to the Honourable the Minister reporting for MHRC, the Minister Without Portfolio responsible for the housing and renewal corporation — the minister may wish to take it as notice — and that is to ask the honourable minister if he is in a position to indicate now as to whether a policy decision has been taken or is under review with respect to whether Manitoba will want to take the maximum advantage of the annual quota available CMHC financing for housing, senior citizen and public housing, or something less than that? I believe that the honourable minister could indicate whether that's under review or whether a decision has been taken.

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

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I'd like to inform the leader of the opposition that that is still under review, but there will be a decision made very shortly that will be announced.

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

**MR. AXWORTHY:** Mr. Speaker, I have a question for the Honourable Attorney-General. I wonder if the minister could confirm whether the government has not dismissed the gentleman who was acting as legal counsel for the government in the Forest case, in other words the case that was dealing with the question of the challenge to the Manitoba Act.

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

**MR. MERCIER:** Mr. Speaker, Sir, no one has been dismissed. With respect to the new case, a new lawyer has been retained by the government.

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

**MR. AXWORTHY:** Well, Mr. Speaker, in this new version of lateral transfer, can the minister indicate whether the fact that new counsel has been appointed to represent the government indicates that there is to be any change or alteration in the position of the Manitoba government in this case?

**MR. MERCIER:** The answer, Mr. Speaker, is no.

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

**MR. SCHREYER:** Mr. Speaker, my question is to the Attorney-General as well, it flows from his reply to the Honourable Member for Selkirk. Would the Attorney-General indicate that the letter which he referred to as being received from the executive director of Legal Aid services, that he would bring the letter, would he indicate whether he intends to bring the letter for the Table, since it bears directly on one of the two alleged reasons for the introduction of the Family Law postponement legislation.

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

**MR. MERCIER:** Well, Mr. Speaker, Sir, the premise on which the Leader of the Opposition bases his question is not correct, that it is one of two reasons for the bill which is before the House, but I'm prepared, as I indicated, to give the information to the Honourable Member for Selkirk, and whatever he wishes to do with it is fine with me.

**MR. SCHREYER:** Mr. Speaker, I should like to ask the Attorney-General then, if he would indicate whether, in his remarks on the introduction of the legislation, he did not refer to the executive director of Legal Aid as having said that the legislation would cause very major increase in cost to Legal Aid services. Would the Attorney-General indicate whether he did or did not make that observation? .

**MR. MERCIER:** Mr. Speaker, Sir, I thought I had already answered that question very clearly and carefully and indicated that I had asked that particular statement that was a part of my speaking notes to be confirmed prior to introducing the bill into the House, and I had received advice that it was, that that statement was indeed correct, and now I've received a letter from the executive director of Legal Aid qualifying that remark, and as I indicated I'm prepared to bring that information before the assembly, and I hope that should be a satisfactory way of handling it.

**MR. SCHREYER:** I take it then, Mr. Speaker, that the letter will be tabled, which removes any basis for having made that statement in the first place. I should like to address a question . . .

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

**MR. MERCIER:** I don't say that the letter removes any basis for making that statement, I say merely that the letter was not as positive, that the possibility of what was indicated to the House was still there.

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

**MR. SCHREYER:** Well, Mr. Speaker, I repeat, all the more reason to want to see the letter. My question is now directed to . . . the Minister of Finance is not here, I'll wait till his return.

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

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Attorney-General. In view of the fact that Mr. Dale Gibson, a nationally known constitutional lawyer, was successful at all levels of the Forest case in which he was appearing, and in view of the fact that there is no change in the Crown's position, could the minister advise us why there has been a termination of the services of this eminent and successful counsel for the government.

**MR. SPEAKER:** Order please. At this time I would like to introduce to the Manitoba legislature, the Right Honourable Pierre Elliott Trudeau, Prime Minister of Canada.

The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I don't know whether the interval has caused the Attorney-General to forget my question, I want to remind him of it.

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

**MR. MERCIER:** Mr. Speaker, I too recognize the ability of the counsel that were retained by the previous government, but let me say, in view of the workload they created for him in the past, I did not want to overburden him.

**MR. GREEN:** Mr. Speaker, I wonder whether there was any complaint from the lawyer referred to that he was being given more work than he could handle, and which he was handling successfully.

**MR. MERCIER:** Mr. Speaker, the answer is no.

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

**MR. GREEN:** Mr. Speaker, I'd like to direct a question to the Minister of Finance, as the Minister to whom Hydro reports. I would like the Minister of Finance to assure the House that his government, following the same practice as the previous government, will not yield to federal pressure to create racial separatism in northern Manitoba in connection with the Northern Hydro Agreement.

**MR. SPEAKER:** Order please. May I point out to the Honourable Member for Inkster that ironical questions, questions that incite argument, are not allowed in this Chamber. Does the Honourable Member for Inkster want to rephrase his question?

**MR. GREEN:** Mr. Speaker, I asked the question in the way I asked it specifically because I thought that it followed the rules, but I will repeat the question in a way which you might find more acceptable to yourself. I ask the Minister in charge of Hydro whether Manitoba will resist the efforts made by the federal government to cause the Province of Manitoba to sign an agreement in northern Manitoba which would create racial separatism within our province.

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

**MR. CRAIK:** God forbid, Mr. Speaker.

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

**MR. HARVEY BOSTROM:** Mr. Speaker, I direct my question to the Minister of Finance in the absence of the First Minister from his seat. I wonder, in light of the high unemployment situation in Manitoba if the present government will be bringing forward any measures to directly create jobs in this province?

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

**Tuesday, December 6, 1977**

**MR. CRAIK:** Mr. Speaker, I believe that question has been addressed before and the reply that was given then is the reply again, that there will be some direct relief measures taken in the way of direct job creation by the government. This is not, in our estimation, the complete answer to the unemployment picture that we face this year, but will be a contribution at least to one sector of that unemployment where we feel we can direct our efforts most efficiently.

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

**MR. DOERN:** Mr. Speaker, I wanted to ask a question of the Minister of Finance. Does he intend to follow the dictum that he put the other day in the House, that regardless of the rate of unemployment, the provincial government will balance the budget?

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

**MR. CRAIK:** Mr. Speaker, that answer is probably five months away.

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

**MR. D. JAMES WALDING:** Mr. Speaker, my question is to the Honourable Minister of Finance, and it refers to the undertaking given by him to this House some eleven days ago to produce a document, "within a day." Is he still prepared to produce that document?

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

**MR. CRAIK:** Mr. Speaker, I presume that the member is referring to Order for Return No. 40 filed in the spring session of 1976. I gave him the indication that we would file it, we will file it.

**MR. WALDING:** A supplementary, Mr. Speaker, to the same Minister. In view of the fact that the Minister used the information within that document during his remarks on second reading of Bill No. 3, is he also prepared to give us that same benefit during the second reading of Bill No. 3.

**MR. CRAIK:** Mr. Speaker, yes.

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

**MR. SAUL CHERNIACK:** Thank you Mr. Speaker. Before I address my question, might I suggest to you that I am assuming that you gave permission to strangers to be in this House. I mean that quite seriously. There were three gentlemen who entered the House who are not people who would normally be admitted to the Chamber. I'm assuming that you have and therefore I'm not questioning what happened, Mr. Speaker. I'm just speaking on behalf of the rules of the House. — (Interjection)— There were two, I think they were army personnel, and one plain clothes. — (Interjection)— Mr. Speaker, having raised this point, possibly I should, before I voice the question, ask whether that was the case, because other than that, there was a breach of the rules.

**MR. SPEAKER:** May I first point out that under our rules, it is not permissible to ask any questions of the Speaker directly.

The Honourable Government House Leader.

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, I will undertake to respond to my honourable friend. Permission was given in accordance with the precedent that was established. I'm not saying that it's a kind of a precedent that I entirely agree with, because I raised the very same question myself when the same thing occurred a number of years ago in this very Chamber. However, it seems to be a practice to send that kind of protection with the Prime Minister, and we felt that we were obligated to provide it for him in this Chamber as well.

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

**MR. SCHREYER:** Well, Mr. Speaker, since it is correct, Sir, that we cannot ask questions directly of you, perhaps I could follow this up by asking it of your amanuensis, the House Leader, and ask him whether he can give us the information as to what precedent he's referring to.

**MR. JORGENSEN:** Mr. Speaker, I don't recall the exact occasion, but on another occasion when a personality was in this Chamber, guards were provided at the door, and I recall raising the question of the House Leader at that time, or of the government at that time, and they assured me the same thing that I'm assuring the Honourable Member for St. Johns right now, that permission was given.

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

**MR. CHERNIACK:** Mr. Speaker, I certainly accept that explanation by the House Leader, and would suggest that this might be a question that could be reviewed by the committee on the rules of

the House.

May I now address my question to the Honourable the Minister responsible for the Civil Service, to enquire as to whether she is yet ready to give the answer to the questions I asked relating to the discharging of civil servants.

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

**HON. NORMA L. PRICE (Assiniboia):** I said to the Member for St. Johns this morning that I would get it to you as soon as I could.

**MR. CHERNIACK:** Mr. Speaker, may I therefore ask the Minister whether she would not consider consulting with the First Minister, the Minister of Finance and the Minister without Portfolio, each of whom has already spoken out, to indicate that they seem to know a great deal about the discharge, and I'm wondering whether the Minister would not rather get the information to give us, rather than have my questions being directed to the others, who have already given pressinterviews on this question.

**MR. SPEAKER:** May I point out to the honourable members that there are two minutes left in the Question Period.

The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I just rise on a matter of privilege. The Honourable House Leader was good enough to point out to me that on Page 236 of Hansard that a question I posed in the House seems to look as if I had just finished going through an experience of a close encounter of a third kind with some other terrestrial creature, and I was wondering, Mr. Speaker, if the particular hieroglyphics that seem to appear on Page 236 might be re-translated into something more approximate to English, which I think I did use. I couldn't be sure but I think it was a closer approximation than what's there, so I would need your permission for the re-printing of that.

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

**MR. SCHREYER:** Mr. Speaker, my question is directed to the Minister of Finance. He indicated just some minutes ago that a decision had been taken some months ago with respect to proceeding or not proceeding with the construction of Limestone, presumably he meant for in-service by 1983. I should like to ask him whether it is correct that my honourable friends have until March of 1978 in which to take a decision with respect to construction of Limestone for in-service of those units in 1983.

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

**MR. CRAIK:** Mr. Speaker, I believe the answer to the second part of the question is, yes, that we do have some time, until March 1978, to make the decision. The comment earlier was that there were significant effects on the unemployment rate in the construction industry as a result of the cumulative effect that dates back in part to the decisions to stall the decision on the Limestone Plant that goes back several months or perhaps a year, and has been having its effect on the statistics for the construction industry in Manitoba.

**MR. SPEAKER:** The Honourable Leader of the Opposition with a final question.

**MR. SCHREYER:** Mr. Speaker, I cannot quarrel with that observation in terms of the effect of postponement by one year. So, because the matter is of some magnitude, I ask for clarification then of the Minister of Finance whether we can expect a statement of intent sometime on or about March, with respect to the decision as to whether or not to proceed with the construction of Limestone, so as to meet in-service date of 1983.

**MR. CRAIK:** Yes, Mr. Speaker, it will probably be confirmed at that time that the decision that has been obvious to the Hydro people, I gather over several months, is that the delay will likely be sustained, particularly in view of the present trends and the low growth rate and overbuilt capacity at the present time. It's very likely that even as of March there will be no change in the recommendation that is now known, that is, Limestone will be stalled an extra year.

**MR. SPEAKER:** I will allow the Leader of the Opposition a final question.

**MR. SCHREYER:** It is a supplementary, Sir, I thank you, and that is to ask the Minister of Finance whether, at the meeting which he attended in Ottawa last week with respect to energy matters, whether there was any discussion of a formal kind at the meeting as a follow-up to the resolution passed unanimously by the Canadian premiers calling on concerted federal-provincial action to give the development of hydro-electric resources top policy priority. Was there any discussion on that subject?

**MR. CRAIK:** Mr. Speaker, discussion was in the context of renewable resources, water power being

included.

**MR. SPEAKER:** Before we proceed with the Orders of the Day, may I point out to all members of the Chamber that the printing of Hansard falls under my jurisdiction. If any member finds he is being misinterpreted in Hansard, I wish he would bring it to my attention and we will make every effort to get it corrected.

We do have an additional problem in that we are sitting morning, afternoon and evening. We have several new members on staff and if there are problems, please bring them to my attention and we'll do what we can to get the correct wording in the printed volume.

**MR. JORGENSEN:** Before we proceed to the Orders of the Day, I wonder if I may have leave of the House to ask that Rule Nos. 8, 94 and 107 be considered as not being necessary during this session. Rule No. 8 deals with the report of the Internal Economy Commission; No. 94 is a list of reports that are supposed to be submitted within two weeks after the session and Rule No. 107 deals with the publishing of reports in the Gazette. If we can have agreement of the House that these rules are not necessary for this session, then the officers of the House and the various departments will not have to undertake to submit them.

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

**MR. GREEN:** Yes, Mr. Speaker, the honourable member will recall that that is what I agreed that we would do and I thought that a motion would be amended to proceed with that but we can take it by unanimous consent that those requirements will be dispensed with and I hope it might not even be necessary to deal with the motion which is what we agreed to before.

**MR. SPEAKER:** Is it then agreed? (Agreed) Is it the intention of the government House Leader to follow the Order Paper?

**MR. JORGENSEN:** Proceed beginning with Bill No. 3, Mr. Speaker.

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

**MR. AXWORTHY:** Yes, Mr. Speaker, just in relation to the statement made by the Honourable House Leader, I wonder if he could indicate to us what steps are taken in order to ensure that any bills that are going to appear before Law Amendments Committee are given proper public notice so that any groups that may be interested would receive the proper amount of notification so that they would be able to prepare their submissions.

**MR. JORGENSEN:** Well, as is customary, groups who are interested in preparing submissions and appearing before the committee, normally notify the Clerk and when the committee is scheduled to meet, the Clerk then undertakes to notify those people immediately as they were notified this morning.

### BILL NO. 3 — AN ACT TO AMEND THE GIFT TAX ACT

**MR. SPEAKER:** Bill No. 3, An Act to amend The Gift Tax Act, the Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I start by apologizing for the number of times that honourable members are going to see me on my feet in the immediate future and the reason for that is, Mr. Speaker, that we have come to the consideration of bills and there are four bills on which I wish to speak and it's not certain just the amount of time that will be available. I know that there are not going to be many more talks that I am aware of in any event on the Estate Tax law and also tomorrow there will be some bills coming up. Nevertheless, Mr. Speaker, despite the fact that I almost feel, although it's not going to stop me, that I have been monopolizing the floor though the fact is that I do wish to speak on these bills that are coming in close proximity with one another and if I don't speak now, they will be beyond second reading and therefore I won't get my chance.

So, Mr. Speaker, I am rising for the second time today to deal with the succession duty and estate tax legislation which is being brought forward by the Conservative administration. I think, Mr. Speaker, that the Honourable Minister of Health and Social Development, this morning made what I considered to be an excellent address. I certainly have some argument with him as to what is restrictive legislation or what kind of government enacts restrictive legislation. I think that there was far more restrictive labour legislation under the Conservative administration. I think that the legislation that we enacted was in, for the most part, either creating freedom for the parties or creating greater freedom within the scope of the legislation as it then existed. However, there will be lots of time to discuss the specifics of the legislation in this session and in the session to follow.

What the Member for Fort Garry said which was much more significant, Mr. Speaker, was the reason for the legislation. He agreed with all of the figures that were presented. He agreed with the

**Tuesday, December 6, 1977**

statistics. He didn't say this but by the implication of his remarks, he agreed that either the cost was so nominal that it wouldn't make a great deal of difference to employers concerned, or in the alternative that the employer could even spend less money by hiring additional people and not paying a premium rate at all. But he said that the theories, the statistics, the answers to these questions were meaningless. What was important, Mr. Speaker — I ask honourable members opposite to try to recall what he said was important. What was important was psychology, that a particular segment of the Manitoba population had to feel certain that the government was their friend, that the climate was good for them and that they could feel comfortable, continuing to remain in the province of Manitoba. Mr. Speaker, it was more explicit than that: that the legislation was intended to see to it that these people do not flee Manitoba. And, Mr. Speaker, that is the way in which I characterized the Throne Speech; that is the way in which I characterized the bill as it relates to time and three-quarters and this bill, Mr. Speaker, that we now are considering is Article 2 of the Declaration of Dependence which is the characteristic of the Throne Speech submitted by the Conservative government because Article 2 of that Declaration of Dependence says that the future well-being of the citizens of our province, the future capital investment of the citizens of our province, depends on us making things so comfortable for rich people that they will not remove that investment and remove themselves from the province of Manitoba.

Mr. Speaker, I think that the members on the other side, perhaps they won't like my rhetoric, but in terms of the fundamental principle of what I am saying, I don't think they can disagree with it. Speaker after speaker has got up in this House and said that what we are trying to do is change the psychology, change the climate in the province of Manitoba so a whole group of people who had feared the kind of a thing that that government is doing will suddenly find the climate more conducive to themselves.

Well, Mr. Speaker, I want to tell you that this reminds me a great deal of the years before the New Democratic Party assumed government, the years when I was either a private citizen practising law and getting by — to the Honourable Member for Rock Lake, getting by — or became a member of this legislature, but I had . . . Right. I accept the Honourable Member for Rock Lake doesn't need politics to survive. I accept that and I think that he will accept from me that I did not need politics to survive. But, Mr. Speaker, for some reason, a group of people, all of us included, feel compelled — and I can only describe it as some kind of compulsion, it's maniacal compulsion — feel compelled that they have to try to do things to make society a better place to live in, either by using government as an instrument which is what our side of the House does or by seeing to it that government doesn't interfere with the private lives of citizens which I believe in as well but which the honourable members opposite think is the fundamental principle upon which government should be based. I think if the honourable members opposite will be fair, they will recall that I was in government for eight years, that I brought forward less legislation than any other Cabinet Minister, less regulation, because I do not believe in the state involving itself in the private lives of the citizens and to the extent that it was possible, I brought in legislation that made people less subject to government regulation than more subject to government regulation. Check the records. Check how many statutes were brought in by my ministry when I was a minister. The present Minister of Mines and Resources will have complaints from his department that we pushed and pushed Mr. Green to bring forward legislation and he didn't bring it and he'll have a backlog of legislation and we'll see whether that legislation comes in. We'll see whether the civil service gets through him what they were unable to get through me.

But, in any event, Mr. Speaker, the fact is that I was a private citizen but for some reason and I cannot explain it, I felt that I had a role to play in public affairs and I was critical of many aspects of society. In some cases very critical and I wasn't at all satisfied with the way in which society was running and I was outspoken about it. I expressed my dissatisfaction. What did my Liberal and Conservative friends in government say when I said that I am not satisfied, I think things should be better, I think that there are things that should be done. Did they say, we are going to make it better for you so you will feel a better climate in the province of Manitoba? That's not what they said. They said, if you don't like it here go to Russia. That is what they said and I wonder what the honourable members on the other side of the House will say when the labour movement comes in and says, we don't like the climate in the province of Manitoba. We think that things should be better, we think that there should be improvements. Is the minister going to come and say, yes, we depend on you, we depend on your continued service for the people of our province, we want to make you happy, we are going to change the laws to please you. Not on your life. Not on your life. That is why I say, Mr. Speaker, that the Minister of Health and Social Development, in a very good address, not only did not contradict what I said about the characteristics of this legislation but he underlined it and he emphasized it and he confirmed it in every way by saying it does not matter what the theories are, it does not matter what the mathematics says, we are concerned with the climate in the province of Manitoba.

Indeed, Mr. Speaker, it is no secret that there are some pretty powerful important elements of Manitoba society that were unhappy with the government of Manitoba, and more significantly and more importantly, there were enough to defeat us in an election. But to describe, Mr. Speaker, the Conservative policy, as now being directed to satisfying that group of people and legislating in such a way as to make them happy, is exactly what I have been trying to say and I am pleased, more than pleased, that the issue is coming down to that. Because more and more — and I accept the fact that we are now behind, I indicated we are nine points behind, we have to convince one person. We have to convince one in ten that when the Conservatives bring in legislation to make the businessman happy so that he will stay in the province of Manitoba, you are going to have to decide, those one in ten.

whether that legislation is for the overall good of society. Because every measure that we have made, Mr. Speaker, over the last eight years was to consider whether legislation was fair, whether legislation removed privilege and accomplished the result that the former First Minister so often stated as being his underlying political philosophy, that society should be judged not by what it does to make the people who are best off better off, but society should be judged by what it does that improves the lot of those people in the lower income group. Or put in a different way, and the Honourable, the First Minister does not like to talk about classes, he thinks that if you don't talk about them that they will go away. He would legislate that there are no classes. But five thousand years of history, at least, has said that from time immemorial there are people who have less and who have less power and there are people who have more and have more power, and that there will be a continual conflict on that basis.

The honourable member, the First Minister says that it is this side of the House that speaks to arouse passion and that side of the House speaks to pacify passion. Well, Mr. Speaker, when you are sitting in the affluence of both economic and political power there is no question that you want to pacify people. It is to your interest to pacify people. But when, Mr. Speaker, you are amongst the underprivileged and those who are not being given their fair share in the economy, how can anybody expect that such a group shall be pacific. The honourable member is asking too much and I tell him that whether he believes in classes or not, that they exist and there is and will be continual conflict on that basis and one of the conflicts that we are getting, Mr. Speaker, is this legislation.

Let there be no mistake about it, the Estate Tax legislation to the extent that it relieves those tough luck citizens who happen to have the misfortune of inheriting clear, \$300,000.00 —(Interjection)— The Honourable former Minister of Finance tells me that they are even worse off than that, that if they are married with the various laws that we have enacted that they are really in trouble. If they got a half a million dollars they have to pay some taxes to the state. Mr. Speaker, the honourable members, to the extent that they relieve those people of \$5.5 million, they impose five and one half million dollars in taxes on the lower income groups of this community. There can be no other way out of it. There can be no other mathematics. The Honourable Minister of Finance knows that I am right because he will say, Mr. Speaker, he will say, no we are not going to increase taxes on the poor to make up this \$5.5 million, we are going to undo some of the expensive things that honourable members on the other side of the House were doing. Mr. Speaker, if you can undo those things and save \$5.5 million then the lower income groups could be given that saving of \$5.5 million and therefore, if you are saying that you would reduce programs and therefore the estate tax is not costing you very much, you are engaging in very bad mathematics. Because if you have \$5.5 million to give away and you give it to the top 1 ½ percent income earners in our society, by the same token you have maintained the taxes on the lower groups that could otherwise have been reduced.

Therefore, Mr. Speaker, this is not tax relief, let there be no mistake about it, this is not tax relief. This is the imposition of \$5.5 million in taxes on all of the people of the province of Manitoba in order to benefit those unlucky souls who happen to inherit half a million dollars. That is what the minister is doing, and there is no way out of that. There is no way out of that. There is no answer to that by saying we are reducing programs, because the reduction of programs, if indeed it will take place, that tax load could be lifted from the lower income groups in our society.

So, we want to tell the people of the province of Manitoba that this is being done in the interest of creating a nicer psychology for those people, and they are amongst my friends and I have no argument with them. I want to make and earn, and not keep until I die, because I prefer to spend some of it, as much money as I could and I do not complain about anybody who earns money. That is one area, Mr. Speaker, where I have often had differences within my own group. I do not look upon the Directors of the International Nickel Company as being greedy money-grubbing people. They are fine people who are doing what they should do in the management of their company. The people who are to blame for the fact that there are problems created by this disparity of wealth are not the International Nickel Company. They have a right to earn as much money as they can. It is those people who are to be blamed. The Honourable Speaker may remember that one of the first times that I walked into this House I walked into this House with a sheet of paper and asked the Minister of Finance, then Gurney Evans, the question, why are you permitting me to this sheet of paper, it says, "Sidney Green is a shareholder of the International Nickel Company of Canada." There were only a few shares but there were shares, and my problem was not that I was permitted to own the shares and to get the money, but why the government of the province of Manitoba permitted to make myself wealthy at the expense of other Manitobans. I was not doing anything wrong, nor do I consider any of the other people who tried to earn a greater income as doing anything wrong. I have never said that. But I say that the government is the one that gives that kind of prize, and if there is to be greater equity in society I am not going to rely on the Directors of Inco, I am going to rely on the directors of that corporate group of people, the public of the province of Manitoba. They are the ones to be to blame, not the shareholders of Inco.

Mr. Speaker, this piece of legislation is a declaration of dependence, it is a declaration of a psychology which insists, Mr. Speaker, that the wealth of the people of this province is dependent upon the goodwill and willingness to reside here and be here of a certain group of elitists. Mr. Speaker, I do not accept that. The province of Manitoba and its wealth depend upon two things. One, the resources of this province which cannot be moved by any rich people no matter where they move to. They cannot take the land and pack it up on their back and leave with it, they cannot take the water, they cannot take the power to cultivate, they cannot take any of the real things. They cannot take the buildings. They can take with them their currency, they can take with them their securities, but as

Tuesday, December 6, 1977

Henry George once said, Mr. Speaker, you could take all of the securities that exist anywhere in all the vaults and in all the banks, and all the currency and destroy it, and the place where that has happened is not one cent poorer the day after it happens. Because the only means of creating wealth are by human beings working on the resources that are available to them, and those things are available in the province of Manitoba. Mr. Speaker, I am quite happy that amongst those human beings be those people in our province who have shown some affluence. But I am not prepared to say that my survival or the survival of the people of the province of Manitoba depends on them. The psychology of this group of people appears to be that Manitoba cannot go it alone. Yes, an estate tax makes sense, but Manitoba cannot go it alone. All the other western provinces are out and look at how rich they are by virtue of it.

Mr. Speaker, I do not know where the Minister of Industry and Commerce got his figures but I suggest that they are wrong, that one cannot find not a billion or \$500 million invested in other provinces that would have invested in the province of Manitoba. Mr. Speaker, the honourable members opposite have been playing with figures for several years. Two years ago they thought they could make an astonishing statement which would have some effect on impairing the credibility of the New Democratic Party by saying we wasted \$200 million on Hydro. When \$200 million did not work they said they wasted \$400 million on Hydro. Four hundred million dollars was not good enough to smear the credibility of the New Democratic Party so they said they wasted \$600 million on Hydro. Now they have been elected, Mr. Speaker. They have been elected, but they have been reminded that the public to the extent of 40 percent still supports those people even though we have accused them of losing \$600 million. The same number that elected them in 1969. Something has gone wrong. Let's make it a billion dollars, Mr. Speaker. Why not \$2 billion. I mean, it is a guesstimate. There is no way of verifying it. I do not know why you stop at one billion. —(Interjection)— Five, do I hear six, do I hear seven. Because we will, the Member for St. Johns is right, when you find out that the billion figure did not work you use two billion or three billion.

What are the facts with regard to this type of taxation and, Mr. Speaker, I am now speaking personally. I would have an estate tax in the province of Manitoba if we were the only province. I am not speaking for the New Democratic Party. I am speaking now my personal opinion. Because the opposite psychology, the psychology that if everybody does not have the tax and you do people will leave, implies that you cannot create wealth in your province out of your resources and out of the human beings that live in it. I say that you can and therefore I say that if the tax is equitable, I would have it and if those people that you people are depending on, that you have signed your declaration of dependence to, do not create wealth then the public of this province will be able to create wealth. But I question, Mr. Speaker, whether the so-called small businessmen or storekeepers or farmers, or anybody else would not consider that they are living in very good circumstances in the province of Manitoba and they will pay an estate tax. Because that is what happens, Mr. Speaker, in most of the affluent countries in this world. The way the honourable members talk one would assume that countries with money and investment have no estate tax obviously, because if they had an estate tax where would the money and investment come from? It would run away, and the corollary, Mr. Speaker, that those countries that are poor they must have estate taxes otherwise why would they be poor.

I mean if the basis upon which investment is made, is whether you are going to have an estate tax, well, Mr. Speaker, the north pole would be the greatest metropolis. In the universe, there is no estate taxes to pay in the north pole. Or we could do better, we could say that Churchill, Manitoba, Mr. Speaker, is going to be a tax-free place. There will be no taxes of any kind paid there, and we could make by the argument of my honourable friends, Churchill, to be the most affluent community in Canada, but unfortunately the theories of the members on the other side are not borne out, Mr. Speaker. First of all, Manitoba has had one of the best economies in Canada, despite the fact that it has had an estate tax, and if any of the honourable members opposite say that Alberta has more investment than Manitoba, I want to tell those members to consider the following. If Manitoba had the oil and estate taxes and Alberta had no oil and no estate taxes, would money invested for exploration of oil go to where there is no estate taxes and no oil, or would it go to the place where there is oil and estate taxes. Is there anybody on the other side who is so rash as to suggest that we would have exploration in oil in the Precambrian Shield if we would only eliminate our estate taxes. It is not borne out, Mr. Speaker. It is not borne out. Well, the honourable member is shaking his head, as well he might, as well he might, Mr. Speaker. They are getting angry, Mr. Speaker. That is good. That is good. When we start hearing them being really annoyed with us, that's good. That's when it hurts. And the honourable members are going to find that it's going to hurt, and it'll take time. Mr. Speaker, it'll take time, it'll take time but it's going to hurt. Let's look at those poor countries in the world who have driven away all of their investment by estate taxes. Now I've asked our researcher to get me the ten richest countries in the world. The ten richest countries in the world, this may be a surprise to some of them — Kuwait is the richest. I don't know whether it has estate taxes or not, but I know it has a small population and oil everywhere you stick a pin into the ground. It has got nothing to do with estate tax. The next one is the United Arab Emirates which is in the same position. Number three, Switzerland, has estate taxes in every canton except one. One group has tried to make a haven in Switzerland, but Switzerland, of the ones that I've mentioned — the top richest countries in the world — has estate taxes. Sweden, number four, has estate taxes. The United States of America, an estate tax nationally, an estate tax in every state of the union with the exception of one, that's Nevada, and Nevada is not the richest state in the United States of America. The tax haven — Nevada — but every other state, Mr. Speaker. The honourable members are going to tell me that all of the investment in the United States

is going to leave the United States and come to Canada to avoid the estate taxes? Are they serious about that kind of suggestion? The next one, Mr. Chairman, West Germany. It has an estate tax. But look at the United States — estate taxes at the national level, estate taxes in every state with the exception of one at the state level. And of course, the United States has become impoverished by virtue of the existence of its estate tax.

Canada, Mr. Speaker, has no national estate tax. I do not know that Canada since 1972, has shown such a tremendous influx of investment. What I do know is that the Canadian dollar has gone down from \$1.03 to 90 cents, which doesn't happen when you've got investment coming into your country. Canada has no estate tax — of the top countries of the Western world that I've mentioned. The next one, number eight, is Kedar, I don't know anything about Kedar — oil? Number nine is Denmark, they have an estate tax. So, Mr. Speaker, I've read nine — Luxembourg I've been unable to get it, but I gather Luxembourg is in the vicinity of West Germany and France, I don't have France on the top ten but I would presume, although I'm not certain and I won't give the honourable members uncertain information, that there's an estate tax.

Of all the countries in the western world, Canada is the only one with no estate tax. Canada should be the haven for all of the investment that previously put into Switzerland, West Germany, Denmark, Sweden, and the United States of America. Has it happened? Have your ideological doctrinaire positions borne fruit? No. And, Mr. Speaker, they will not bear fruit in the province of Manitoba. The elimination of the estate tax in the province of Manitoba will not result in renewed investment or renewed wealth in the province of Manitoba, it will result in one thing. —(Interjection)— No, it will be a change in psychology. It will be a declaration to the beautiful people in the province of Manitoba that we are telling you that we can't get by without you, and that we cannot survive unless you are happy, and we are therefore going to create a beautiful climate for you to live in. That's what the Minister of Health and Social Development has said is the purpose of this legislation.

Well, Mr. Speaker, I have a different view which I am going to try to commend to the people of the province of Manitoba. I have the view that the province of Manitoba is rich in natural resources. I have the view that the people of the province of Manitoba are energetic, capable of great human effort; that this great human effort is capable, if organized properly, to take those natural resources, to create wealth and to have that wealth equitably distributed amongst the people who created it. And I say amongst those people participating, I am more than willing, indeed happy, Mr. Speaker, to have those people who have shown entrepreneurial skill, who have shown that they have the ability to act aggressively, to operate entrepreneurial enterprises, and to raise their own financial position accordingly. I am happy to have the participation of those people. I am not prepared to say that I am dependent on them, that I cannot survive without them, and that I will enact legislation to the detriment of all other people in our society, in order to make them psychologically happy. That is the purpose of this legislation, that is the reason that I will vote against it.

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

**MR.. DON ORCHARD:** Thank you, Mr. Speaker. I would like to share a few thoughts with our honourable friends opposite on the proposed legislation to amend the succession duties and gift tax. I find it somewhat baffling — their opposition to this legislation — because our honourable friends opposite in the majority are members of the NDP party who believe in equality, equality among all people. And basically, all this legislation that we have proposed is going to do is give the individuals of Manitoba the same rights and privileges that the government of Manitoba has. That is, to be able to receive a bequest from an estate without having a burden of taxation placed upon you, to be able to give to the state, to the province, a gift without having to pay tax on that. So, on the basis of equality, I can't see where our friends opposite would want to do anything but change the legislation, to make every individual in Manitoba equal to the privileges afforded to the government on both the provincial and the municipal level.

I would like to present for some of my honourable friends opposite a few points as to how this particular piece of legislation applies to the farming community, and I do that specifically because I think a lot of our members opposite have little knowledge, and I say that without detriment, because you haven't had the personal experience of a farming operation. I would like to share some of the thoughts with you.

In 1970, the succession duty and gift tax in Manitoba allowed tax-free bequests of up to \$150,000 for estate and an additional \$50,000 if that amount of money specifically was bequested to the spouse in the settlement of an estate. Now in 1970 farm size was some 543 acres per farm, according to our agricultural handbook. Now, since 1970, and we're dealing with a period of seven years here — I have no up-to-date figures because 1971 census is that 543 acres per farm — but I would fully suspect that that size has increased, and our honourable friends opposite can appreciate why that increase, it that farms, as with most businesses, tend to have to increase in size to remain economically viable. So we've seen an increase in the farm size. Now, along with that and accompanying that increase in farm size, we find most farms today having to mechanize more highly, and their investment in equipment is considerably larger. Also, the equipment prices have gone up over the past seven years, probably doubled, to pave the investment for farming equipment much much higher than it was in 1970. Since 1970, our farming economy has gone through 1973, 1974 and 1975, which were the three best years that the farming community ever enjoyed in this province. Now, as a direct result of good economic times, I think you tend to find your farming community consolidating its debt position so that in the

Tuesday, December 6, 1977

seven year period from 1970 to today, 1977, I think we'll find most farms that were in existence in 1970 and are in existence today, have a much lower debt load. In fact, we may find considerable numbers of farms with virtually no debt load today.

Now, since 1970, and I'm talking about existing farms once again, we have this strange phenomenon called aging of the farmer. He's now seven years older, and along with that strange phenomenon of aging, comes the increased probability of death, and it is in death that succession duties become very harsh, so that people who would not give a single thought to succession duties in 1970 now have them as a considerable concern to them in the preservation of their estate.

The most important thing that has transpired in the years from 1970 to 1977 is the phenomenal increase in land value. In 1970 I would suspect that you could drive twenty miles, twenty-five miles out of the city on to the prime soils in the province, and buy any parcel of farmland for, I would guesstimate, \$100 an acre. I don't think I'd be too far wrong. Today drive that same distance, or in fact, go pretty near to any piece of farmland of any productivity value in Manitoba, and you'll find a price tag very much higher — four, five, six, seven hundred dollars an acre are not at all uncommon. Now, this is a circumstance of the times; certainly crop prices were good and they caused considerable economic pressure on the price of land. We had foreign speculation on land which helped to drive the prices up. It's a fact that we have to live with in the farming communities, that our land prices are considerably higher.

Now, add all these factors together: add the farm size, increase in farm size, the increase in the amount of equipment and the value thereof, add in the lower debt ratio from three very good years in farming, couple that with the increased age of the farmer, and fifthly, add in the multiplied value of the land, and you'll find that your average estate from 1970 to 1977 per farm has multiplied four to five times in value — an increase of 400, 500, maybe even 600 percent.

Now, in 1977, as I mentioned, very few farmers were in the taxable category as far as succession duties go. Their estates were below the \$150 to \$200 thousand level in general. But due to circumstance beyond their control mainly, we have seen an increase in the value of estates of 400 to 500 percent. Let us take a look at what has happened to the limits on succession duties in that same period of time. Today, and I stand to be corrected if they are different, we have succession duty limits of \$250,000 plus a further \$50,000 if that amount is bequeathed to the wife. What we're seeing is a 50 to 66 percent increase in the succession duty-free exemption. Couple that, a 50 percent increase in the exemption limit, couple that to a 400 to 500 percent increase in the value of the estate, and have legislation, which protected those very same individuals in 1970, kept apace with the time, and provide those same individuals with the protection they enjoyed in 1970. This is what we're talking about on this side of the House when we say that succession duties have to be eliminated.

An important consideration that I would like to place before the members of this Chamber right now is in the establishment of the value of an estate. Let's consider an individual who has the misfortune of dying, and his estate comes up for review and for evaluation. Who puts the value on the land? Well, the government department, the succession duties, that puts the value on the land, and how do they determine that value? They go to the nearest comparable land sale and they establish a value per acre on the basis of the nearest comparable land sale. Now currently, in the Carman area, that can be \$700 dollars per acre. Yes, very good, very good price, but consider what it does to an ordinary estate of 640 acres. That puts the estate value at \$450,000.00. With machinery, you've got an estate of well over the half million dollars on a section farm.

Now, the farmers in my constituency call that kind of an estate value paper money, because it's established at the end of a balance sheet which says: "Lo and behold, because of inflation and factors beyond your control as a farmer, you now have an estate worth a half a million dollars, even though with that estate you may still only be making \$10,000 of net income to put in the back of your pocket to live on all year. But you have an estate of a half a million dollars, and according to the legislation that we've voted in place today, an estate that is taxable to the tune of \$50 to \$60 thousand, if you have the misfortune of passing on." Hardly a fair situation.

Now, let's consider, now that we've established that there is a problem in the farming community, a problem that was created beyond the economic boundaries of that particular farm, that was caused by inflation, caused by increase in prices, that the farmer had basically no control in, let's consider next who is truly affected by succession duties and gift taxes.

Let's consider the young farmer, and I take myself, and several of my colleagues as examples. We're not bothered by succession duties, if we were per chance to pass on and leave our estates to our next of kin. We're not bothered, because our estates are heavily debt-loaded, and debts are deducted from the net value of your estate, and chances are we're well within the \$300,000 limit. So we're not affected. Gift taxes, as far as gift taxes go, young farmers don't have any money to give to anybody, so they don't pay gift taxes. So that leaves the category of the older farmer nearing retirement who is being subjugated to undue duress by succession duties and gift taxes. He's the man whose farm is, as I laid out in the first few minutes, increased in size, factors beyond his control, and his estate is now taxable. He cannot afford to die today, because if he dies, the estate, which he had hoped would carry on to his wife and provide her with a living, or his son, or his daughter for a living in the future — It is not possible to do that as a viable farming unit, because of estate taxes. — (Interjection) —

Gentlemen, if you would care to listen, I will explain in a later part of my speech where it is possible. Now, therefore the gift taxes represent a barrier to the gentle transfer of a farm from one generation to the next, from father to son, in the event of a death. So succession duties are very harsh on our near to retirement segment of our farming community and directly to their successors, their

sons who are farming with them and want to take that farm over. Very heavy hardship to those people.

Well, let's consider what gift taxes do to that group of farmers. If the son is working with the father why not gift him a quarter section of land, a half section of land. Give it to him; he's worked for it. Uh-huh! The moment you gift your son in excess of \$2,000 per year you trigger gift taxes. Okay. Five thousand dollars to the spouse, \$2,000 to the sons or daughters. I think I stand corrected to the Member for Lac du Bonnet, his statement is quite incorrect.

Okay, so what is the problem? Why doesn't the father give the son a considerable size of estate? Well, he can if he wants to pay the government gift taxes. So what in effect we've got on account of gift taxing now is a situation where no farm transfers have taken place in the last four to five years because they trigger gift taxes. So now farmers who are nearing retirement, own their estate in its entirety, they have a son who wants to take it over but there is no physical way for him to do it without them having to put an undue burden of taxation on the farm. Okay. We've got the son now indirectly affected by gift tax as the recipient, mainly because he can't be the recipient unless the father is willing to cough up considerable gift tax to the government. There's an excellent case for removal of the gift tax.

Now, let's consider the implications of succession duties, and succession duties alone, in the event of the death. If we've got a farm family — and let's make it the classical farm family of the father and the mother and the son — and the father dies and his estate is worth — and let's pick the boundary figure of a half million dollars. That's a 640 acre farm with machinery and a little bit of livestock. The father dies, he bequests the total estate to his wife which is a relatively common thing to do. Immediately if we have a succession duty limit of \$300,000 and the estate is taxable on some \$200,000.00. Now, if we go to our estate tax tables we find that that estate is going to have to pay to the government approximately \$50,000 to \$60,000 in succession duties. Now, immediately our honourable friends opposite say, "Go out and borrow the money. No problem. If I inherit a half million dollars, I can afford to borrow the money," but the point is, the point is honourable members opposite, you cannot afford to borrow that kind of money because the interest on \$50,000 per year at 10 percent amounts to \$5,000 and that farm can generate in good years approximately \$10,000 to \$12,000 in net income — and I'm talking net income for the back pocket — so you're going to put a burden on it that's going to take half the net income? What are we going to do, put the man on welfare then for the balance of his income?

Now, let's take that very same situation one step further. The father has died; he's bequeathed it to the mother. Now, within a year, the mother happens to die and such a misfortune can and does happen. The mother dies after owning the total estate and she bequests the total estate to the son. Now the exemption limit is \$250,000 in that type of an estate as a preferred beneficiary. In the past year, we have got an additional debt load of \$50,000 caused by the succession duties paid upon the father's death. Now within a year, if land values continue to escalate as they have in the past several years, the value of the farm land will probably have increased by that \$50,000 that they have owing against it so the net estate value is probably still in the neighbourhood of a half million dollars but the exemption is only \$250,000 this time. Now, the son is faced with the proposition of paying some \$75,000 in estate taxes to the government after having paid \$50,000 the year before to get that section farm, to inherit, as our friends opposite would say, scot-free.

Now, I realize it's beyond the business capability of some of our members over there to appreciate what a debt load of \$125,000 does to a section farm, even though it's paper money worth a half million dollars, the debt load of coming up with \$12,500 in interest per year. That's no principal repayment, gentlemen, that's the interest charged per year on a farm that will generate net income of something like \$12,000 per year is rather harsh but our friends opposite cannot understand these kinds of things. There is the reason why succession duties have to go. A series of deaths can break a farming operation irregardless of size. One death in the family can put an undue tax burden on that same family farm. Sure he may be able to make it but it's an undue burden.

Now, what we have to decide when we are considering legislation like this, as it pertains to agriculture and agriculture alone — I'm getting back to agriculture alone — is what is going to be our overall direction in farming policy. Are we interested as a governing body of Manitoba in promoting the continuity of the family farm unit? Are we interested in seeing sons and daughters inheriting the family farm?

**A MEMBERS:** Now you're getting good points, Don. That's important.

**MR. ORCHARD:** Now, if we're interested in seeing sons and daughters inherit the family farm, which as my honourable colleague from Lakeside pointed out some evening ago, that often the sons have put considerable effort into this farm at possibly less pay than what they would get working for a union job or whatever. Then if they are to inherit that farm and that family farm is to continue as an enterprise, then I think that we, as a government, should endeavour to remove any undue tax obstacles in front of passing that farm generation to generation intact and as a viable unit. Now, any of our honourable friends opposite who know anything about farming won't say that that section farm, that 640 acre farm in the Carman area or Morden area, is a big farm and the guy on it is a wealthy fat cat. No, he's an average Joe and he's the kind of guy that's being penalized by the present succession duties. Why? For one reason, the previous government wasn't interested in the family farm unit obviously. We are interested in the family farm unit therefore we are going to remove succession duties and gift taxes.

**A MEMBER:** The Member for Inkster wants to own the farm.

**MR. ORCHARD:** Now, as well the elimination of succession duties I think — and this is getting very philosophical on my part and you'll have to pardon me if it grates any . . .

**A MEMBER:** Don, that's allowed.

**MR. ORCHARD:** Philosophical is allowed. Fine. I believe that elimination of the gift tax and succession duties as they apply to the farming population — and here's where I am restricting myself and leaving myself wide open — as they apply to the farming population I believe that we can justifiably eliminate them because I think it shows recognition on the part of the government of the effort and the blood and the sweat and the tears that went into the individual who developed that farm, often from scratch, and it shows that we as governing people appreciate that kind of output and hard work and endeavour and I believe that as a governing body we should recognize it.

I think also removal of the succession duties and gift taxes, as I've mentioned before, that that 640 acre farm in the Carman area whereby the inheritee has to pay the \$50,000 succession duties. Now, I've given the interest figure on that as being \$5,000 per year without principle repayment. I think that removal of succession duties is essential to prevent loading that farm with that undue tax and that is on a farm — and I repeat this again and I can't repeat it too often — which has a net income generation potential on normal years of \$10,000-12,000.00. Yesterday I believe it was, the Honourable Member for Winnipeg Centre stood up — and to some extent the Honourable Member for Inkster did today — stood up and they are fully in favour of return on investment, the Member for Winnipeg Centre indicated that, I'm not too sure about the Member for Inkster. But, if we have an interest in return on investment then no one on the other side would disagree that the farmer who owns that \$500,000 estate should probably get a return on investment on it. Now figure the return on investment on \$500,000 at just 10 percent. That's \$50,000 net income a year and I've just said that his net income from that farm is \$12,000, and you fellows, through your succession duties, want to load him with another \$5,000 in interest payment that covers succession duty tax. That doesn't seem too fair for people who are interested in return on investment let alone return for work, for risk. Our honourable friends opposite have suggested some various remedies. We don't need to take off the succession duties they say. What's the matter with the man borrowing the money to pay the succession duty? Well, I think I've adequately explained that. You can't afford to pay the interest payment on it especially if you have two generations where it's a death in one year and a death in the next year and you've got double taxation of the same estate. You cannot afford to borrow the money. The other suggestion that some of our honourable members opposite suggest is: sell some of the land, you inherited half a million dollars; sell some of the land. As the members on this side of the House full well realize, if and when you sell a capital asset such as land you trigger that very onerous tax in Ottawa called the capital gains tax and your demand for cash is even more on that estate, so selling land out of an estate does not help your tax problem, it worsens it. And, all this means is you're selling your asset, you're destroying the basic family unit that you're trying to preserve in the family farm situation. Hardly a program that our honourable members opposite would be interested in I wouldn't think.

The honourable friends opposite — in carrying their sell-the-asset theory one step further — would suggest to us in the next step: why not sell some machinery? Sell the machinery. Well, if you sell the machinery how do you work the resource of the land? And, in selling the machinery, or any part thereof, with the inflation we've had in machinery of the last few years, you are going to trigger two things: possibly capital gains tax and definitely recaptured depreciation all of which increases the burden on the estate. Our honourable friends opposite might suggest sell the cattle, sell the livestock. Well, once again, you're going to trigger, if nothing else, an income tax problem plus the fact you destroy the basic unit that you're trying to preserve. Hardly a program that would be in company with our honourable friends opposite and their so-called stay-option where they wanted farmers to remain on the land but yet they're willing to tax them. Tax them when they die; tax them when they give it away.

Another area of suggestion that our honourable friends offer as a suggestion to this legislation that we're considering, they'll say to us, "There's no need to take succession duties and gift taxes off. Why do you have to eliminate succession duties? Why don't you just raise the limits and protect the farmer?" You gentlemen had the chance last year to raise the limits and what did you do? You raised them a niggardly \$50,000.00. When the estate had increased by some 400 to 500 percent you increased the estate exemption by 50 percent. And, besides that, everz time this side of the House, as government, would present to you gentlemen opposite, the proposition of raising the limits on succession duties, we'd involve this legislature in a four to five day debate on the evils of promoting our rich capitalist friends, etc., etc., and waste the time of the taxpayer of this province, waste his time and money. So, our suggestion and our solution is to eliminate the succession duties, then we don't have to worry about raising the limits. Clean, clear and simple.

When our honourable friends opposite suggest the sale of some of the land assets in the settlement of the estate I would think that their suggestion needs a little further thought on our part. If they suggest that on the settlement of an estate to pay the succession duties the people involved in the estate settlement sell a portion of the land, how does this figure in with some of their philosophy

and some of their ideas and some of their programs? It makes me indeed suspicious. They are on one hand saying, "We want to continue the family farm unit." On the other hand they are saying, "Well, if you happen to inherit it we're going to charge you enough tax so that you may have to sell a quarter or a third of it." And, since land is the easiest dividable portion of the asset it's easy to sell a quarter section out of the section, probably land would be the item that the inheritor would split off and sell to pay the government the tax due to them, which makes me suspicious because what did we have under the last administration? We had the state farm program. Uh-huh! I can see it now. The Honourable ex-Minister of Agriculture might approach that family with their estate and say, "Fear not, we can keep your family unit in place and intact. All you have to do is sell the government that quarter section of land and we'll give you the money so that you can give it back to us and then we'll own a quarter of your estate and then, perchance, if ever your mother dies and there's another estate settlement we'll do the same thing for the next quarter section and maybe the succession duties fit hand-in-hand with the state ownership program of all our land resource in the province. Maybe.

**MR. USKIW:** I wonder if the member would yield to a question. Would the member yield to a question?

**MR. ORCHARD:** I've presented some of the possible problems that the farming community faces under Succession Duties and Gift Taxes. I fully believe that the business community also faces the very same problems that we in the farming community face, and probably a lot of the areas that I touched on here today apply to our small business community as well. They are faced with the same very harsh burden of Succession Duties and Gift Taxes that the farming community has, but I don't know that from a personal experience, so I'm not willing to indicate that definitely today, and I'm sure some of my other members, who are familiar with the small business community can reiterate that very fact, and that we are not only benefitting the farm community, but the small business community which provides major employment in this province as well.

What I think it boils down to in consideration of this bill, we can take all the economic factors and we can put them to this side, and we can take all the philosophical factors and we can put them to this side, and straight down the middle we have to consider the meat and potatoes for the table, the political ideology of the NDP versus the political ideology of the Progressive Conservatives. Now, our NDP government believe that the government can best handle resources into the business community, etc., and as such, they are willing to tax away the estates of anyone above \$300,000 in some cases, \$250,000 in other cases, and take a portion of that money, put it into the government coffers and proceed to spend it wherever they see fit, such as building airplanes, etc. I need not go through the time-worn list of entries in our friends opposite government programs. — (Interjection) — Now, it seems as if that in the spending of funds by our honourable friends opposite — and I must admit this probably happens to most governments — the spending programs tend not to deal with the long-term interests of the province, but rather with the short-term proposition of getting elected. Hence, we have funds going willy-nilly into make-work projects and short-term things, which can and may contribute to the re-election of a government.

Now, on the other hand, the Progressive Conservative philosophy — and I speak personally here, and I think I would speak for a number of my colleagues — we believe that private investment can very well spend and invest that money from estates, in trust companies, insurance companies, you name it, private people, if the money is left in their hands, invest that money, that money finds its way through investment companies, trust companies, into our housing projects, into business ventures, into mortgage money for land, and that, gentlemen and lady, is where true long-run economic creation of jobs and investment lies. Not in having the money gobbled up by the government and spent willy-nilly, but left in the hands of the people who made it, who knew how to make it, and know how to invest it for the best future of this province. And that is our philosophy. That's my personal philosophy, and it's in that . . .

**MR. SPEAKER:** Order please. The honourable member has five minutes left.

**MR. ORCHARD:** It's from that standpoint that I fully endorse the passage of this bill to eliminate Succession Duties and Gift Taxes.

Just some minutes before, the Honourable Member for Inkster indicated a few areas of concern on his part with the elimination of Gift Tax and Succession Duties, and in my very freshman knowledge, I'll attempt to answer some of his concerns. He says that Manitoba and our Minister of Industry and Commerce has said that capital has left this province to the tune of one billion dollars, and he says that is an incredible figure, it's unsubstantiated, etc. Now, he says, "If we take away Gift Taxes and Succession Duties, are we going to have that capital come rushing back into the province? Is it going to be coming back in wholesale so that we can have job creation and investment in the province?" Well, he's got a very good question. He says that Gift Taxes and Succession Duties by themselves aren't the answer, and he's right, because Gift Taxes and Succession Duties were the straw that broke the camel's back in the taxation scheme of Manitoba. Not only did we have higher business tax, higher personal income tax rate, but we tossed on the onerous taxation of, if a man died he should give it up to the state, and if you give it to your family you give it up to the state. Couple the four together and naturally you're going to see investment capital leave this province. Naturally. Now, he says, and the Member for Inkster says also, that people — and I'll try to get this as close to what he said as I can and I'm sure I'll be corrected if I get it wrong — he says that people

Tuesday, December 6, 1977

can still create wealth in this province by the utilization of its resources, even with the implementation of Succession Duties and Gift Taxes. This is what he said. Now, my question is, create and make wealth for whom? For the individual doing the work or for the government that's going to tax it away? There's the question. That's why we don't have people locating here. They're going to Alberta with the oil. It's the straw that broke the camel's back. I can't really understand that, because the member did say he agreed with profit, but I must question, profit for whom? Profit for the individual, or profit for the government? Big question.

So gentlemen opposite I hope that in the few short minutes that I've had to discuss this bill with you and its implications that I tossed a new light onto the bill for you, that I have given you some information on how this particular tax structure causes undue hardship, not on the wealthy fat cat that they're so very much concerned that we're going to benefit, but it causes hardship on Joe Average farmer in my constituency. Very much so, it causes hardship on him. —(Interjection)— It can be proven very easily. The Honourable Member for Lac du Bonnet says . . . that's why, in fact, I think that the honourable member is sitting on that side of the House as one of the few agricultural constituency representatives in this province, and why we're sitting over here with the big dividing line of all the farming communities on our side, because we said we were going to do one thing for sure, and that was remove Succession Duties and Gift Taxes so that your family farms will stay intact for your sons and your daughters to carry on as you had hopes and aspirations of them doing so. Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAM USKIM:** Mr. Speaker, I move, seconded by the Honourable Member for Inkster, that the debate be adjourned.

**MOTION presented and carried.**

**BILL NO. 4 — AN ACT TO AMEND THE MINERAL ACREAGE TAX ACT**

**MR. SPEAKER:** On Bill No. 4, an Act to amend The Mineral Acreage Tax Act, the Honourable Member for Flin Flon.

**MR. TOM BARROW:** Mr. Speaker, I stood this for my colleague for Brandon East until he's ready to speak.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Speaker. I would like to make a few comments about this particular bill, which I think is rather unfortunate, coming before us in this short special session. I think the bill in its entirety is unfortunate, and without doubt it is a bill of political convenience, a bill that I suppose my honourable friends opposite will say is helping them fulfill a particular political promise they made to their constituency or to their constituents, and that they are now fulfilling a particular political promise or a particular part of their political platform. I suppose that is a legitimate type of argument in a sense that you made a promise, or you put forth a political platform and you are in the process of fulfilling what you have promised, or what you have stated to be your political goals. And to that extent I suppose you might say there is some virtue, from the government's point of view at least, in bringing forth this bill at this time. But certainly, no other arguments can be put forth with regard to the benefit of this particular bill.

I realize that the bill, the Mineral Acreage Tax in Manitoba, in total, provides the Crown with relatively small amounts of moneys. I guess in this day and age of inflation, \$400,000 or thereabouts may not be considered to be a substantial sum, but on the other hand, in this time where everyone is very concerned, particularly on the government side, of balancing budgets, of being able to cut costs and so on, that they should equally be concerned with every single dollar on the revenue side. If they are very concerned about how a dollar is spent, surely they should be concerned on how and to what extent dollars may be received on the other side of the ledger.

There are certainly no adverse economic effects emanating from this particular tax measure which my colleague, the Member for St. Johns brought in a few years ago — I guess it was the year 1972. There is certainly no argument can be made, Mr. Speaker, which would indicate that this particular tax on wealth, this tax on mineral wealth or potential mineral wealth has any adverse economic effects on the growth of our provincial economy. I don't think any argument could be made either that this particular type of taxation or this particular tax has adverse effects in the social sphere. I cannot, for one moment, envisage where there are any serious social effects, adverse social effects being caused by mineral acreage taxation. And certainly, Mr. Speaker, it is not an inequitable tax. It is not a tax that is causing a great burden on poor people. It is not as inequitable, for instance, the Medicare premiums were when they were in existence in this province back in the 1960s before the New Democratic Party government abolished them, after coming to office in '69 — we cut them in half I guess in '69 and abolished them, I guess, the year later. Certainly the Medicare premium tax that Manitobans had to pay, I think it was about \$208 per family, whether you were rich or poor, whether you were young or old, whether you were disabled or fit, regardless, you had to pay this flat premium

tax and considering that was eight or nine years ago, that was a substantial burden, and that was indeed an inequitable tax, a regressive form of taxation.

I cannot, for the life of me, in any way, shape or form, imagine that the Mineral Acreage Tax Act and the taxation of this type of wealth, in any way can be described as inequitable. —(Interjection)— It is not inequitable. —(Interjection)— Well, why we brought the measure in? Well, all right, Mr. Speaker, I think this is a legitimate question, and it's one that this House should consider at this time. We're talking about the principle of the bill, the main thrust of the bill, and I would like to make reference to one or two comments made by my colleague, the Member for St. Johns, who was the Minister of Finance at that time and brought the measure in. In fact, reading from Hansard of July 6, 1972, the then Minister of Finance, stated, this is Page 3,888 of Hansard, he indicates that the type, and I will quote a couple of sentences here. "The type of bill we propose to bring," and the Minister of Finance is referring to this Mineral Acreage Tax Act, "The type of bill we propose to bring," with reference to the type of bill, "proposals to ensure that mineral rights which may be held for speculative purposes by corporations, cannot be retained without some reasonable return to the people of Manitoba." —(Interjection)— Yes, throughout the Minister's speech, he referred time and time again to corporations and companies holding mineral rights. And I go on, "The companies which hold mineral rights often hold such rights in anticipation of future gain, and we believe it is only reasonable that such corporations contribute to public revenues. Holders of unproductive land, operators of mines, gravel pit operators, all of these, speculators in mines generally, all do contribute to public revenues, and the question is posed, as far as presenting this bill, why not corporations holding mineral rights for gain?" In other words, the Minister of Finance at that time was making a parallel. In municipalities, whether your land is productive or not, is beside the point. Whether it is producing or not producing is beside the point, the municipality levies a property tax on that particular piece of property, whether it's a rural municipality or whether it be a city or a town. If you own property, whether you're doing anything with it or not, is beside the point. You pay some kind of tax on that property, and the Minister of Finance drew a parallel at the time of introducing this legislation, saying likewise, holders of this mineral wealth, or of mineral rights, rather, should contribute to the public revenues also, as do holders of surface rights.

"Those who wish to maintain mineral rights" — I'm continuing from the speech of the Minister of Finance of that day — "those who wish to maintain mineral rights will be contributing to the public revenue just as I pointed out real estate taxpayers do. The rate of tax proposed is ten cents per acre on mineral rights, with respect to parcels of 40 acres and over, and tax would be on mineral rights held by corporations, not by individuals." This is the original introduction of the bill. "An internal study made by government has shown that about three-quarters of the mineral rights, some 9.1 million acres, are held by individuals, and it is not to propose to tax those at all, the remaining one-quarter of mineral rights, some 2.9 million acres, are under corporate ownership and will be taxable under this bill."

Well, I should add, at this point, Mr. Speaker, subsequently in that session because of arguments and persuasions by members of the opposition, both in the Liberal and the Conservative Parties, the definition was changed, the emphasis was not to be placed on corporations, but on individuals or persons, and this would include both corporations and persons. And here's an instance where the Minister of Finance was listening to advice given by the opposition parties of the day as to why we should change it. Just going on, Mr. Speaker, further down that page, 3,889, we do point out that if any corporation feels that the taxation of the mineral rights is a burden in any way and that there really isn't any value in the holding of mineral rights, they can always surrender their mineral rights to the province and thus avoiding paying taxation and thus the province will have the asset for whatever it is worth for future development. —(Interjection)— Sorry? Well, I don't know what the figures are but I do know some individuals and some corporations have turned over the mineral rights to the Crown because they have made an assessment of potential mineral wealth lying below the surface and have made a decision whether or not to turn these rights over. A good number of people have and a good number of corporations have turned either all or portions of their mineral rights to the Crown. But that's fine.

Going on, the Minister of Finance said in that debate that day, "But on the question which I know I interrupted, I would just say that it is the government's thought that we want to direct this tax to corporate holdings. We don't want to direct it to individuals, farmers who own over 40 acres of land. We don't feel that they are the ones who may be holding up the development of the mineral resources or retaining title to them for speculative reasons, and that is our thought. The corporate holdings are more justified and that this is the approach." Well, as I said, Mr. Speaker, about a week later in debate, this was changed and the definition of persons were to include both corporations and individuals but the original exemption of 40 acres, of course, stood, and it says, "exempting farm operations, be they of a corporate nature, which means co-operatives or family corporations and individuals whose principal business or occupation is that of farming." "I think that brings it out," said the Minister, "It really brings together the very suggestions that have been made by the various members of the House." So what we've got in the legislation was a change in the definition based on suggestions made by members of the opposition of the day.

But the fact is, Mr. Speaker, the important point is, that this is not an inequitable tax; it causes no social hardship; it has no detrimental economic effects. There are parallels of taxation, as I indicated, on surface land where municipalities tax persons, corporations holding land; whether that land is producing or not, they pay some form of property tax on it. I'm suggesting, as the Minister of Finance of the previous government at that time suggested, that there is therefore good reason for the Crown to want to tax such mineral rights. I say that is the rationale. We were asked about the rationale and I

repeat or reiterate the rationale that was given, but I say that in response to comments made across the way that this is really a nuisance tax and it only amounts to something like \$400,000 and that there are administrative costs. I say you are being rather flippant indeed if you say \$400,000 isn't perhaps that important. I suggest that you need every nickel that you can get if you want to fulfill what you consider to be an objective, and that objective is of providing a balanced budget. You have a balanced budget philosophy, you're entitled to that; you have stated that as an objective, very firm objective that you want to achieve. I say given that you want to achieve a balanced budget; given that you have already stated that you will be reducing personal and corporate income tax by a couple of points; also the reference in earlier debate, the elimination of succession duties; given the fact that there are some operating deficits already we know of in existence and using your own figures; if you add all of these deficits that you refer to in operations for whatever reason they occur, plus all the other tax cuts that you wish to make, I think you get something in the order of about 175 to \$180 million or what-have-you. The fact is that you are giving the Minister without Portfolio responsible for the Task Force on government organization in economy a very formidable job because you are suggesting that you want to have a balanced budget, you are going to achieve a balanced budget, and yet you have eliminated certain other taxes thereby causing the deficit to obviously become larger, *ceteris paribus*, other things remaining equal.

So either the Minister without Portfolio in charge of this government task force is either going to magically find \$175, \$180 million or whatever or there is going to have to be an adjustment some place else. I am suggesting to you, Mr. Speaker, to members of the House, that the Honourable Minister without Portfolio, in spite of his determination to look for fat s and waste, to look for ways and means of reducing expenditures without affecting any other tax credit program, in spite of his earnest efforts that he might make, I am suggesting that, as my friend the colleague and Member for St. Boniface suggested the other day, that about all he's going to achieve is the saving of a few paper clips — or maybe we could refer to it as the paper clip results, the saving in effect of rather minimal amounts of monies at best. I think the Member for St. Boniface suggested the result might be a few paper clips and an editorial in the Winnipeg Free Press commending the government regardless of what the government achieved. But really I am suggesting that the Minister without Portfolio is not magically going to come up with cost savings in government organization to make up for this whatever . . . well, I am taking the figures that were given to us by the Minister of Finance plus other statements made about tax cuts, something in the order of possibly 175 to \$180 million, a very large amount of money. So given the fact that you want to balance the budget, you want to somehow or other cover that amount; given the fact that the Minister without Portfolio is not a magician, I suggest, Mr. Speaker, that what we are going to see is either a cutback in programs or an adjustment of some other tax relief programs. Is the government eventually going to end up by cutting back on the home care program? We've already heard of some comments from the Minister of Health and other officials of the Department . . .

**MR. SPEAKER:** Order please. I've listened at great length to the Member for Brandon East. We are discussing the mineral acreage tax and I would hope that the minister would at least make some reference to the mineral acreage tax when he is making his remarks in the House.

**MR. EVANS:** Thank you very much, Mr. Speaker. The point I'm making, Mr. Speaker, is that the mineral acreage tax is important to the government because of the fact that it wants to achieve a balanced budget. I would have thought that that would be very very important. And while they're very concerned about spending on the spending side, so they should be equally concerned on the receipt side. Although this is not a large amount of money in the total spectrum of things, nevertheless it is a significant amount of money and I am suggesting, Mr. Speaker, that unless the Minister without Portfolio can create miracles or magically reduce costs and so forth without affecting programs, that what we're going to see is a cut in some major programs or some adjustments in the other tax credit programs.

In other words, there has got to be a give somewhere, something has got to give. I am asking, therefore, Mr. Speaker, what will give? If you maintain the mineral acreage tax or perhaps adjust it upwards; Saskatchewan I believe doubled it from 10 cents an acre to 20 cents an acre. If you think the amount is insignificant, well you can always increase the tax, you can double it or triple it or whatever, you can make it more significant than it is, you can make it a million dollars a year if you wish. Again I say there cannot be any great social hardship, there cannot be any major adverse economic effects from this particular tax.

I say, Mr. Speaker, as a member of this legislature, as a member of the previous government that brought in the home care program, that I want to see the government maintain as much revenue as it possibly can to carry out and extend the home care program which, incidentally, is a very efficient type of program inasmuch as it is much cheaper to have people cared for in their homes rather than in institutions. It's better for the individual; it's better for the taxpayers. —(Interjection)— Well it is. There is no question about that. I would say that it would be very unfortunate if programs such as home care were cut back or eliminated or reduced in some way. I think it would be sad if nursing home care was somehow or other squeezed or reduced in the level of quality throughout the province in the nursing home programs.

On the other side, I'm asking, Mr. Speaker, whether we'll see some downward adjustment on property tax rebates. I have a legitimate concern in that area because the Minister of Finance some time back made a speech I believe in this legislature, indicating that one of the priorities of the

Conservative government would be to eliminate property tax rebates. —(Interjection)— I beg your pardon? Within a year. The elimination of property tax rebates. Here it is here, Mr. Speaker. And I say this is relevant because we're talking about the total revenue. Mineral acreage tax is one small item, but I am saying that, as I am trying to put the case, it is important for the government to look at every revenue source.

But here you have the now Minister of Finance saying — this is quoted in the Tribune of May 4th, 1976 and the title is "Craik says Conservatives would end tax rebates." "A Conservative government would end the NDP's tax rebate programs and plough the money into the Foundation program to properly finance education, opposition leader Don Craik said Monday." This was when he was the acting leader. "He suggested it might take between three and four years to make the switch because the tax rebates which go directly to taxpayers amount to \$77 million this year, too large to do all at once. Conservatives oppose the tax rebate system as an inefficient way to finance something the government is responsible for, Mr. Craik told the legislature during the debate on the education department's \$177.2 million of spending plans for 1976. The faster and sooner we could get out of this technique by putting up proper financing for school divisions, the quicker we would do it. The Foundation system could be repaired and the rebate money transferred into it in one year. It will be done in one year." This is where my colleague, the Member for St. Johns, is correct because Mr. Craik did say, 'if it could be done in one year; the now Minister of Finance, it would be done in one year.' "Mr. Craik made the promise after a challenge from Saul Cherniack, NDP St. Johns, to make his party's position on the tax rebates clear. Several Conservative MLAs had attacked the theory of the rebates during the evening debate suggesting that the government was neglecting municipal councils and school divisions. Mr. Craik described it as a very cheap, vote-buying technique and said getting rid of it would be our prime objective."

So, you know, maybe this is where there will be some give, and that is elimination or reduction or some adjustment of property tax rebate or some change in the property tax rebate system. Or is there going to be an elimination or adjustment of the cost of living tax credit system? Whatever it is, Mr. Speaker, something has to give and I am suggesting that it would be unfortunate from my point of view for some of these other tax credit programs which do have an element of progressivity to them — the cost of living certainly is a very progressive type of rebate because it is given to those people in greatest need; likewise with property tax rebate, a portion of that at least is related to income, and income tax being of a progressive nature, it has elements of progressivity.

I think it's good for this province to have one of the most advanced health care systems in the world, and I want to see that health care system maintained. I want to see a lot of other good things done by governments in this province, but in order to do it, the government of the day, whatever party, needs adequate revenues and I am suggesting that this is one source of revenue that should nothefore be given up. If there are administrative costs involved with it — I suggest incidentally that a great deal of what is considered to be high administrative cost is probably of a start-up nature — one of these costs I believe are not going to be repeated and in the long run, the administrative costs will not be undue. Furthermore, as I indicated, Mr. Speaker, you can always double it from 10 cents to 20 cents or make it 30 cents and bring the government coffers in a greater amount of revenue. I say this again, Mr. Speaker, because we're told that this is very important because of what has happened, the announcements that have been made in the past few weeks regarding tax cuts, the announcements of possible further tax adjustments. I understand the Minister of Finance did say to us, or at least was reported in the media that there may be other adjustments in sales tax thereby causing the Crown to have even less revenue.

So, I repeat that even though this has been referred to as a very small amount of money, peanuts or what have you, having great nuisance value. therefore it should be abolished — I repeat, that given the fact that the government wants to achieve some balance in budgeting, given the fact that they will not find as much as they think they are going to find in waste, that they need all the revenue they can achieve. Now of course, as I said, we could see some major adjustments in other tax areas which would be rather unfortunate because these other tax areas that I have referred to, the property tax rebate system and the cost of living tax system, have a nature of progressivity about them which is not a characteristic of this particular tax. At any rate, Mr. Speaker, I would therefore in conclusion, urge that the government reconsider this particular measure and withdraw the bill.

I don't know whether I will have been successful in persuading them, I rather doubt that, but I repeat, I say again that they have set themselves up a very formidable task of trying to rid themselves of what I think adds up to \$180 to \$185 million dollar deficit if you use some of their estimates, and of what they project to be deficits plus all these new tax cuts, they've got a formidable challenge indeed, and that's only talking about operating, or current accounts. If you add capital, and again using the information that the Minister of Finance has given us, he's estimating another \$96 million in the capital account alone. You add that to it, well it becomes even more formidable. So I say to the honourable members opposite, to the government of the day, if you're so careful, you proclaim to be so careful in every nickel, in every dollar you want to save, or to spend rather, then I say you should be very careful in every nickel, in every dollar that can come in, and very legitimately so by this particular task. herefore, I think it would be very consistent with your position to withdraw this particular piece of legislation and allow yourselves the advantage, . the blessing, of the revenue that you can bring in from this type of taxation. Thank you.

**MR. SPEAKER:** The Honourable Minister of Finance. The honourable minister will be closing

debate.

**MR. GREEN:** Mr. Speaker, I think that there are still some gentlemen wishing to speak, I notice the Member for Minnedosa wanted to speak.

**HON. DAVID BLAKE:** If you wanted to close debate, I would yield the floor to the Minister of Finance, Mr. Speaker.

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

**MR. BLAKE:** Thank you, Mr. Speaker. If for no other reason, I rise in my place to indicate to members opposite we were not completely muzzled on this side of the House, as has been suggested.

Mr. Speaker, I assure you that I won't be too long, but in listening to the economist, the Member for Brandon East, I just felt that I should add one or two words in debate on the bill to abolish the mineral acreage tax. What the members opposite seem to have overlooked in their efforts to persuade us to retain the tax is that we have opposed this tax right from the outset. We opposed it strongly all the way through the House. We made an election promise that we would abolish it, and of course politicians are always very anxious to fulfill their election promises, especially when they find themselves elected in forming the government. So for these reasons alone, the bill is in order, and we plan to see it proceed through the House in the usual manner to its final conclusion.

But, Mr. Speaker, what members opposite seem to be unaware of is that throughout the rural areas, it was considered a nuisance tax. The minister's quite right, it wasn't that punitive in its total, but it was a nuisance tax. There were many farmers that had moved into town, their son was farming the land, and yet they were assessed an acreage tax, and this became an annoyance to them. The amount that it had brought in was not that important. —(Interjection)— There is a principle involved, but when you find out what has actually happened with that tax, and the Member for Brandon East mentioned that they could turn the mineral rights back to the Crown if they so wished, I would suggest to him that there were very few people did that. Some mineral rights were turned back to the Crown, there's no question about it, but there were a great number of them that never paid the tax. Nothing has been done to recover those mineral rights for the Crown, as I understand it, and I don't think they can tell you at a moment's notice in the department who has paid, who hasn't paid, what they're going to do with the ones who haven't paid, some have overpaid, some have been paying when they're actually engaged in farming and didn't have to pay. I don't know how we're going to figure rebates out for those people. So the money that was brought in, the tax became a real dog's breakfast, so to speak.

But more important, Mr. Speaker, going throughout the rural areas during the election campaign, this was one of the things that was brought to our attention on many, many occasions. It was maybe a bit of a small issue, but it was there, and it was a thorn in the side of an awful lot of rural people. The people that bring it to the attention of the politicians as they're going throughout the constituency campaigning, are the people, by and large, that if they'll stand up and bring it to the attention of you when you're campaigning, they're the people that are going to be influential, probably, in their communities. This is what members opposite overlook. They hang a tax on people without maybe due thought to the consequences of that tax. Not only this particular tax, but the succession duties and gift tax that the Member for Miami covered so well in his remarks. These were the two points that came up in nearly every farm gathering that you went to. And as I say, that was an undertaking by this government, it was an undertaking by the leader of this government throughout the campaign that we would abolish the succession duties and gift tax, and we would abolish the mineral acreage tax.

I have two or three letters that have been received even since the election wanting to know what we're going to do about this so and so mineral acreage tax. And, as I say, the people are writing are people who may be in reasonably good circumstances, and it amounts to maybe \$80 or \$90 or \$100 dollars, whatever. The amount is not significant, it's the principle of the tax.

Now, the Member for Brandon East mentioned that they could do an appraisal of their land, or do an assessment of their land, and try and determine what the mineral wealth may be within the soil or under the soil, and they would decide, and weigh that, and that would allow them to make a judgment on whether they would turn the mineral rights back to the Crown or whether they would keep them. Well I say that's a very, very difficult thing to do, Mr. Speaker, would be to assess the mineral wealth down in the bowels of the earth, or however far down your mineral rights go. But I think that if there are minerals under the ground that I may own, whether they be gravel deposits, ore deposits, or oil; when those minerals are taken from the ground, that's the time to tax them. If I find oil on my land, I know that you're going to tax me when that oil comes out, and you're going to tax me pretty heavily. That's the time I should be paying the tax — not now. Ten cents may be a very small amount, but there's nothing to say that when that tax is in, that it can't be 20 or 30 or 40 cents or even \$1 an acre down the road, and then it becomes a very, very punitive and a very, very important tax.

So, Mr. Speaker, I think the cost of collecting the tax for what it brings in, the actual mess that that portion of the tax collection department is in, I don't know if they know who has paid it, who hasn't paid it, who has paid it that shouldn't have paid it, really how much they've got in, how many acres should have reverted to the Crown, or how many acres should be claimed by the Crown, or how many acres the Crown should give back. So for no other reasons, Mr. Speaker, I think that that's one way of cleaning it up is to eliminate the tax completely because it's just been a nuisance tax. It was

**Tuesday, December 6, 1977**

something that was undertaken by us all along, we made the promise during the election campaign, we were elected to form government on October the 11th, and we're fulfilling an election promise by bringing in a bill to eliminate the tax, and we want to do it before the notices go out for another year—that's just going to perpetuate the mess that already exists. So, Mr. Speaker, for that reason if no other, I'm going to support the bill naturally, and it's probably two or three years overdue.

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

**MR. PETER FOX:** Mr. Speaker, I move, seconded by the Honourable Member for Logan that debate be adjourned.

**MOTION presented and carried.**

**BILL NO. 5 — FAMILY LAW**

**MR. SPEAKER:** On Bill No. 5, the Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I would like to speak on this matter, but I don't want to speak the whole day, so there's another honourable gentleman that wishes to speak — the Member for Logan.

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

**MR. JENKINS:** Thank you, Mr. Speaker. In rising to take part in the debate on Bill No. 5, which is before the assembly at this time, an act to defer the coming into force of the Marital Property Act and the Family Maintenance Act; first let me say, Mr. Speaker, that it is refreshing to see that honourable members on the other side of the House have got up in the last two or three days to take part in the debate that is part and parcel of the normal procedure to this Chamber. I particularly want to congratulate the Honourable Member for Pembina. Well I may not agree with what he said, but at least he got up and he expressed an opinion, which is refreshing indeed to find out that members on the opposite side of this House do have some opinions and that they somehow or other have slipped their muzzle. However, I must say on Bill No. 5, Sir, that I have not yet heard any honourable members on the other side of the Chamber. Perhaps the muzzle is still on as far as that bill is concerned. But I hope that before the debate concludes on second reading on this bill that we will hear from honourable members on the other side of the Chamber exactly what they don't like about the present legislation. We've heard some generalities.

You know, for the new members of the Chamber, this bill, or this whole topic of family law first rested with the Law Reform Commission — I believe they had it for, I think the former Attorney-General can correct me if I'm wrong, they had it for a couple of years, I believe. Maybe even in an excess of that. Recommendations were made from the Law Reform Commission to the former Attorney-General, the former Attorney-General moved a motion in this House that a committee of this assembly meet inter-sessionally to hear representation from interested people in the province of Manitoba, and this book that I'm holding here, I believe 760 some odd pages, I believe that is it, 760 pages — a documentation of the briefs inter-sessionally, the briefs between second and third reading, and the discussions that took place on family law and family life in Manitoba. — (Interjection)— Yes, honourable members from that side of the House were members of that committee, and I must say, Mr. Speaker, that it is one of the best, in fact I think it is the best committee that I've ever sat on. Members of both sides of the House, of all three parties that were represented on that committee tried not to play any politics whatsoever, and there were temptations to do so, and my honourable friend, the Member for Inkster, says that's terrible. But it showed that the legislative process can work. Someone, I believe that's the Honourable Member for Minedosa, he's the one that plays games. He likes to play games, he likes to read letters into the record here not unsigned. I just wonder if, on the bill he was speaking on before, if the letters that he had received were signed. — (Interjection)—

But anyway, Mr. Speaker, as I said, I don't consider myself to be an expert on family law legislation. My wife and I have had a very good understanding over thirty years, and we've been very fortunate, and I've been fortunate that we've never had to resort to some of the things that some of the people who appeared before this committee told us of their troubles in their marital life. You know, Mr. Speaker, the most important thing that we passed in family law legislation, important as the sharing of marital property and commercial assets is concerned, important as that is, the most important piece of legislation was family maintenance.

You know, when you go around this province, and I believe it's too bad that we weren't able to go to more places, but due to the time that we had to meet inter-sessionally, and the type of weather that we were encountering at that time, we met in the city of Winnipeg, we met in the city of Brandon, we met in the city of Thompson. You know, one thing that came through loud and clear, that in ninety percent of the marriage break-ups you're worrying about marital property and how it will be dispersed between one partner and the other. You know what came through loud and clear? That in most cases, in the marriage break-up which took place, in the main, in the very young people who are being married today, the marriages last sometimes three, four, five years. Each pack a suitcase and

walk away. There's nothing to disperse, because the T.V.'s bought on time, the radio, the car, the house, the condominium apartment, whatever the case may be. If there is no family involved, then there's really no great problem. There's nothing to argue about, there's really nothing. When there is real problems is when there is family, and in most of those cases

You there is a family involved. Now, we have listened to Honourable Attorney-General when he introduced this legislation, and I know now that he can't speak, because if he speaks now, he closes debate on this legislation. The Honourable Attorney-General had ample opportunity to take part in the Throne Speech debate, to set at ease the minds of the people who are very, very much disturbed and upset by the actions of this government in postponing this legislation.

Number one, I think the biggest upset that hit these people was the appointment of one Ken Houston, and you know, Mr. Speaker, I believe he was one of two people, — and if I am mistaken someone can correct me — he is one of two people who appeared at that committee and said that they did not agree with the philosophy of the legislation that was proposed to the legislature. You know, he even went as far as to say once, in his presentation to members of this committee, that we were I believe slurring the judiciary, some way or other. Upon questioning he says, oh no, it was not the members of the committee, it was the people who were appearing before the committee. You know, this same gentleman also said that if members of that committee were out in the real world they would be sued for malpractice or something, something like that, or sued for dishonesty or something, something to that effect. This is the type of person that Mr. Houston was. Mr. Houston did not agree with the legislation, in any way, shape or form, and do you know what he referred to our Family Courts as? A zoo, and the people who conducted them were zoo keepers or something to that effect. That is what the honourable gentleman that the Attorney-General has appointed to be one of the people who is going to rewrite that piece of legislation. I don't think he could have found a person that was more prejudiced against the whole spirit of that Act if had gone out the length and breadth of the country, and I understand that the other gentleman is running him a close second.

Now if the public is disturbed — and you saw the other night that there were people who were disturbed, who were very disturbed. Members on this side of the House are disturbed too. We think it is time that the First Minister of this province got up and stated — and there is nothing to stop him from taking part in this debate because he won't be closing debate, the Honourable Attorney-General will be. The Honourable Attorney-General has to wait now until he closes debate in this House to tell us just what doesn't he like in the legislation. Number one, does he agree that family assets are shareable. I've never heard him say that, I've never heard him say that he agrees or disagrees, and you know, I feel sorry for the Honourable Attorney-General, I think he got railroaded into a job that he really did not know too much about. Commercial assets, should they be shareable? We have never heard the Attorney-General, even when he gets on radio or television, never states, never heard him yet. Does he believe in the opting-out principle of the bill? Should it be bilateral? Should it be unilateral? I think the Honourable Attorney-General some time or another, before this Bill goes to committee, should inform the members of this House and through his information to members of this House to the people out there who are very, very much concerned I can assure you.

Another thing too that the Honourable Minister, the Honourable Attorney-General can tell us, does he believe in fault? Perhaps I should read to him just out of the record of a woman who appeared before the committee in Brandon, and what she was going through, and what she thought about the fault system. This is on page 144 of the Standing Committee Report, Part 2 of the Legislative Assembly. . This was a Lucille Polaini. She was addressing the Chair, she said, "I also don't have a brief but I would like to speak on behalf of the women who are going through divorces and I am going through one right now. I have three children, my husband is very well off, I am left with nothing. I cannot go to Legal Aid because of my husband's standards. " I guess she meant by her husband's earning capacity. "So therefore I have to go and get another lawyer, and pay him on the outcome of what my husband will end up giving me at the end. Now this thing about who's fault is it? Someone was saying that you can't really say whose fault it is because it has happened all through your married life. Maybe I am not coming out clearly. I am not very good explaining myself. You can't really pin down — like there are two things right now that we can go for divorce. Right, that is adultery and cruelty, which I myself do not want to do these things because of the children." children, they had a family. "Now I do not want to prove to my children that their father has gone out with other women, and the same with cruelty. She says: "Cruelty is a very hard thing to prove unless you had someone around who can prove that he has done these things to you." Then I believe the Honourable Member for St. Johns, Mr. Cherniack said that also another grounds for divorce was three years desertion. But I don't think I have to go on any further. There was a person who was involved, involved in the process A person who could point fault, and she said as far as she was concerned fault should not be part of it. The bitter acrimony that comes out in court cases — even Mr. Houston said that so we want to know what the Attorney-General feels on the no fault feature of Family Maintenance. Surely that is not asking too much, Mr. Speaker. The gentleman, the honourable gentleman who has introduced this legislation, at some time when he closes debate, that he tells us exactly where he stands on some of these things. Surely that is not too much to ask. This legislation is not perfect. We never said, and I have never heard the Attorney-General say that that piece of legislation was perfect. And I can say, Mr. Speaker, through you to the Honourable Attorney-General, that if he thinks in three months time or six months time that he is going to come in with a perfect piece of legislation that he can disabuse himself of that idea right now because there has never been a perfect piece of legislation ever drawn. And the pangs and what not that you feel now, that this legislation won't work, some people say it won't work. There's only one way you are going to find out, put it into practice, monitor it. Do you

think that when your legislation, that you're going to come in with, and God knows when you're going to bring it back — that's another thing, Mr. Speaker, that the Honourable Attorney-General or the First Minister or somebody on that side should say — when you're going to bring it back.

I think the Honourable Member for Fort Rouge the other day was quite right, he said you're retaking this legislation, you're going to defer it, you're going to refine it, do a nice job on it, but at least tell the people out there when you are going to bring it back. When are you going to declare it as a piece of legislation that they can operate under. Are you going to keep procrastinating, procrastinating till the spring of 1981 when you go to an election? Is that what you are going to do? I think you have an obligation, not only to the members of this Assembly — and I don't think that you feel you have any great obligations towards me, and I don't think that you should. But I think you have an obligation to those people out there, many of them who supported you who wanted to see some change in Family Law legislation. Some change in Family Maintenance. My God, surely the Attorney-General saw on the Ombudsman show on television — sometime, I believe last year, I think it was quite current with our legislation — of women who could paper their walls with court orders, never enforced. Who's fault is that? It's the Courts. Courts can't enforce it. We hope to give them the opportunity to be able to change by making these changes in law.

I would like the Attorney-General also to say that he's working with the Solicitor-General in Ottawa to make it easier for the enforcement of court orders. You know, it's all very well and good and I know the former Attorney-General worked very hard on getting, and I understand from the Gazette or the newspapers or something, that the Honourable Attorney-General has now some agreement with other jurisdictions, other than the ones that we had. That's good. But do you know, Mr. Speaker, you will remember that committee, Mr. Speaker, you know what people told us. The person against whom the court order is issued skips the province. He goes to Ontario. So they do find him. She has to get a reinforcement of the court order here, she has to apply in the courts down there and the judge decides on the evidence presented there whether he's going to enforce that court order. By the time that happens he skips somewhere else. That's what happens. I don't blame the

Attorney-General because he wasn't a member of the government when they sat over here. He didn't vote against that legislation. I don't know what his personal opinions are of that legislation he's never really given us that, and I don't expect him to do so because he's speaking for the government in the introduction of that bill. But I do expect to hear from the five members who voted for that legislation. I think one spoke this morning. We have four to go. Four more to go. I certainly expect to hear from them. I certainly expect to hear from the remainder who voted in entirety against the Family Maintenance Act. Not one of them, not one of them voted for Family Maintenance and they won't let them down. I invite the Honourable Member for Minnedosa, as one of those who voted against the Family Maintenance Act, at some time or another before this bill goes out of second reading and to the Committee on Law Amendments, that he may wish to get up and tell us what he doesn't like about the bill, the present bill, not the bill that we are dealing with that is for deferral. The Honourable Minister for Minnedosa makes his best speeches sitting on his, you know what, posterior. I can remember the Honourable Member for Minnedosa when he first came into this House, sitting over here, deploring the decorum and how things were carried on in this House and how he was going to set us a good example. Well, Lord, God forbid, if that's the kind of example that he's going to set us.

**A MEMBER:** When you run with thieves, you know what happens.

**MR. JENKINS:** You are in the right pack over there, then, that's all I can tell you. So I invite honourable members over there, I invite the Minister without Portfolio No. 11, I believe, the minister in charge of Manitoba Housing and Renewal Corporation — No. 11, I'm sorry — he was a member of that committee. He expressed himself, and he expressed himself quite well.

**MR. SPEAKER:** Order please. The honourable member will have an opportunity to complete his remarks at a later date. The Honourable Government House Leader.

**MR. JORGENSON:** I've been advised by the Clerk that there are a number of presentations to be made before the committee this evening so I don't know whether there's any value in having the House meet this evening, so consequently I believe that we should adjourn the House at this point and the committee will meet tonight at 8:00 p.m., and the House will reconvene again tomorrow morning at 10:00 a.m. If that's satisfactory with honourable gentlemen opposite then I will move, seconded by the Minister . . .

**MR. GREEN:** Before the motion is made. It has been brought to my attention that the bill standing in my name and the honourable member is speaking, and perhaps the Order Paper could show that the bill is standing in my name and that the honourable member still has some time left, because otherwise there will be confusion. If it just could be on the record that the honourable member still has some time left and that after he is finished the bill stands in my name, if that could be reflected on the Order Paper, then there would be no problem.

**MR. JORGENSON:** Well, maybe the honourable gentleman has completed his remarks.

**MR. GREEN:** That's right, that's right.

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

**MR. JORGENSEN:** Well, I don't think there's any great problem. But I am just wondering if the Honourable Member for Logan had completed his remarks.

**MR. JENKINS:** No, Mr. Speaker, I have a few more remarks I wish to make.

**MR. JORGENSEN:** Then, in that case, Mr. Speaker, I move, seconded by the Attorney-General, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 10:00 a.m. tomorrow.