



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

**DEBATES  
and  
PROCEEDINGS**

26 Elizabeth II

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10:00 a.m. Wednesday, December 7, 1977

# THE LEGISLATIVE ASSEMBLY of MANITOBA

Wednesday, December 7, 1977

Time: 10:00 a.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Honourable Harry E. Graham(Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

**MR. J. WALLY McKENZIE:** Mr. Speaker, I beg to present the first report of the Committee on Law Amendments seconded by the Honourable Member for Swan River. I guess I move that the report of the committee be received, Mr. Speaker, seconded by the Member for Swan River.

**MR. CLERK:** Your Committee met on Tuesday, December 6, 1977 for organization and appointed Mr. McKenzie as Chairman. Your Committee agreed that the quorum of the Committee shall consist of 16 members.

Your Committee heard representations with respect to Bill No. 2 - An Act to ratify an Agreement between the Government of Canada and the government of the province of Manitoba under the Anti-Inflation Act (Canada), as follows:

Roy Gallagher, City of Winnipeg Police Association and City of Winnipeg Firefighters Association,

William Jackson, Manitoba Government Employees' Association,

Nels Thibault, Manitoba Federation of Labour,

Ai McGregor, Manitoba Paramedical Association, International Brotherhood of Electrical Workers — Hydro section, and Manitoba Retail Store Employees Union — Local 832.

Your Committee considered Bill No. 2 — An Act to ratify an Agreement between the government of Canada and the government of the province of Manitoba under the Anti-Inflation Act (Canada) and has agreed to report the same without amendment.

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

**MR. McKENZIE:** Mr. Speaker, I apologize for my procedural error. I move, seconded by the Honourable Member for Swan River that the Report of the Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

## ORAL QUESTIONS

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

**MR. LEONARD S. EVANS:** Mr. Speaker, I would like to address a question to the First Minister. In view of his very important meeting with Prime Minister Trudeau yesterday discussing what I understand is some very fundamental matters pertaining to the state of well-being of Canada and the province of Manitoba, whether the Honourable the First Minister can advise the House or report to the House on any progress of any significant items of agreement that would be of interest to members of this House.

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON(Charleswood):** Mr. Speaker, I thank the Member for Brandon East for his question. I would amend the wording of it only to say that perhaps the expression "very important" is not necessarily fully descriptive of the meetings that we had. The Leader of the Opposition will realize from numbers of meetings that he has had of this nature — some formal, some informal — that these gatherings are always instructive and not always productive but in this case, I can say that we did have the opportunity for rather wide-ranging discussions on the economy, particularly centering upon the state of unemployment in Canada and in Manitoba, the whole question of inflation as it impacts on the economic situation in Canada, the question of what co-operative ventures could be taken by provinces, in plural, to work with the federal government in attempting to right the economy, in attempting to create more job opportunities across the country. There were also discussions concerning an upcoming meeting which is planned by the Minister of

**Wednesday, December 7, 1977**

Finance with his provincial colleagues some time in January or early February — I am going just by recollection on that date — to be followed thereafter by a meeting of the Prime Minister with the 10 premiers of Canada, working from a base or groundwork that will have been done, to some considerable extent we hope, by the meeting of the Ministers of Finance.

This was one of a series of meetings, as my honourable friend will appreciate, that the Prime Minister has been having with all Premiers across the country. He is today, as I understand it, meeting Premier Blakeney in Regina and following upon these meetings I daresay that we can expect him to make some announcement, or there will be further correspondence relating to the upcoming meetings of ministers.

As I mentioned very briefly yesterday, the meetings were amicable, wide-ranging and of a preliminary nature, having regard to the upcoming conferences. I have nothing else specific to report at this time.

**MR. EVANS:** Just one supplementary, Mr. Speaker. I thank the Honourable First Minister for his comments and his report. Was there any intonation with regard to some possible new thrusts in the area of attacking the unemployment situation? I appreciate the preliminary nature and the format of your meeting, but at any rate I think, given the dire state of the economy in the country, is there any possibility of new thrusts — co-operative thrusts — between the federal government and the provincial government perhaps in the area of combatting unemployment this winter?

**MR. LYON:** Mr. Speaker, again in response to the Honourable Member for Brandon East, I think the Prime Minister perhaps answered that question at his own news conference when he said that in the short term, aside from the direct job creation programs which the federal government provides through Canada Works Programs and so on, which are based of course on the unemployment rates in the different regions of Canada, in the short term it was his feeling that there is not too much direct action that the government can take, that the longer term remedies would appear to be those of restraining the impact of governments (in the plural) again — government's encroachment upon the taxpayers' dollar and at the same time trying to reduce taxes, as we are attempting to do in Manitoba, albeit in perhaps a modest way so far, in order to enable the taxpayers to retain more of the money which they worked to earn, and thereby increase the spending capacity of citizens of Canada. But no other specifics beyond what the Prime Minister said himself at his own news conference.

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

**MR. EDWARD SCHREYER (Rossmere):** Mr. Speaker, to the First Minister. Quite apart from discussions, as the First Minister puts it, of a wide-ranging but preliminary nature with respect to economic circumstances of the moment, can the First Minister indicate if there was any discussion and could he report thereon relative to the reported proposal to shift substantial, if not massive, amounts of jurisdictional powers from federal to provincial jurisdictions — from 91 to 92 in other words?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, to the Leader of the Opposition, not specifically, no. There was naturally some discussion, as he I'm sure would expect, about the question of direct and indirect taxation, particularly as that bears upon the situation arising from the Supreme Court case in the CIGOL case in Saskatchewan, but no question of any massive redistribution of powers as between 91 and 92 of the Act.

**MR. SCHREYER:** Mr. Speaker, flowing directly from the First Minister's answer, can the First Minister indicate, if not now, today, could if not he indicate by what time the province of Manitoba might be in a position to make a definitive statement, 'the new administration, with respect to all of the ramifications that flow from the Justice Martland decision of the Supreme Court in the CIGOL case? It is a matter of tremendous consequences and I am asking the First Minister if he will undertake to make a definitive policy statement or statement of attitude whenever he feels appropriate.

**THE SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I believe there was a question bearing upon this point a few days ago in the House, and as I indicated at that time the law officers of the Crown are reviewing the case insofar as it may have application to Manitoba, but of course as my honourable friend, the Leader of the Opposition realizes, Mr. Speaker, it has other implications nation-wide, which I daresay, at this very moment, are being discussed by the Prime Minister and Premier Blakeney. Rather than build up my honourable friend's expectations that there would be any great statement of policy, I would say that first of all what we are interested in is an interpretation in the narrower legal sense as to what impact, if any, this has upon existing legislation in Manitoba, and then, down the road a piece, a determination, presumably at the Federal-Provincial level as to what, if anything, can be done to cure this kind of — well defect is not the correct word — to cure this kind of anomaly that has been uncovered by the Supreme Court with respect to the taxing powers of a province with respect to its

own natural resources.

**MR. SCHREYER:** Mr. Speaker, I appreciate that the work that needs to be done with respect to the interpretation of the Supreme Court majority decision, first of all has to do with its direct implications with respect to legislation in force in Manitoba, but I would rather like to pose my question more in the context of implications with respect to Canada as a whole, Canada as a nation.

Does the First Minister have it in mind to view this case closely, not only from the point of view of direct implications with respect to Manitoba's Statute Law, but with respect to the implications to the country as a whole?

**MR. LYON:** Mr. Speaker, I can assure the Leader of the Opposition that we share his concern, which I have already mentioned, about the national implications of this judgement with reference to the rights of a province to tax natural resources which are within the total jurisdiction or at least were thought to be within the total jurisdiction of each province, until the CIGOL case came along. I can assure him, as well, that there have been some informal discussions already with respect to that judgement with other jurisdictions, and I am quite confident that Western Premiers, through the instrumentality of the Western Premiers' Conference, perhaps called at an earlier time — I would suspect if the Premier of Saskatchewan wished to have such a meeting, it could easily be arranged — would want to review that case with respect not only to the western region, but its national implications. So we stand ready first of all to deal with the narrower point as to what implications it has on our taxing ability in Manitoba, and secondly we stand ready to deal, of course, with the broader national implications of the decision itself.

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

**MR. BILLIE URUSKI:** Thank you, Mr. Speaker. My question is to the Attorney General and Minister of Municipal Affairs.

In light of the Minister of Finance's statement yesterday that there would be other new initiatives in terms of creating employment in the province of Manitoba, could the Attorney General indicate whether he is now prepared to rescind the lowering, the cutback on the special Municipal Loans Fund, or indicate to the House any other new initiative that he has planned to alleviate or ameliorate the employment situation in this province?

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

**HON. GERALD W. J. MERCIER:** Mr. Speaker, Sir, the other winter works projects are under consideration by Management Committee and will be announced in due course.

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

**MR. RUSSELL DOERN (Elmwood):** Mr. Speaker, I wonder if the First Minister, in view of his meeting with the Prime Minister, or in view of the shocking unemployment statistics that were released across the country the other day, has reviewed or modified his apparent first goal which is to balance the budget?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I think that when the budget of the present government is brought down sometime in 1978, when the estimates of expenditure are placed before the House some time in 1978, and when other announcements with respect to other programs indicated by the Attorney-General that are under review, when all of those are considered in their entirety, I think my honourable friend will see that we share the concern that he and all other citizens of Manitoba have with respect to the unemployment situation here, and also with respect to the question of ensuring that the taxpayers of Manitoba have that kind of fiscal responsibility in the operation of their public affairs which is conducive to stimulation of new jobs in the province of Manitoba.

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

**MR. URUSKI:** Thank you, Mr. Speaker. I would like to direct this question to the First Minister. As his party had in one of their planks the platform of jobs and there will be jobs, is the First Minister at least in a position to indicate to this House now, that there will be jobs at least in order to keep the employment rate as low as it could be for this time of year?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I really don't believe that the Honourable Member for St. George expects a promise from any First Minister regardless of his political background, that any government, including the federal government or the provincial government, can automatically create jobs. Even my honourable friend the leader of the opposition wasn't capable of pulling that kind of a rabbit out of a hat. It is not possible to make that kind of promise in the short run. What you can try to do, and what

Wednesday, December 7, 1977

interestingly enough, the Economic Council of Canada is recommending and by a statement yesterday the Prime Minister of Canada seems to support the policy, what you can try to do, is to create conditions in the private sector which are more conducive to job creation, long-term meaningful jobs in the private sector. .

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

**MR. WILSON PARASIUK (Transcona):** Thank you, Mr. Speaker. My question is directed to the First Minister. In your discussions with the Prime Minister, did he indicate to you why the federal policy of the last two years to stimulate the economy by restrained federal government spending and by reducing income taxes through indexing and by reducing corporation taxes which they did last March in their budget to the tune of \$2 billion, why these actions to stimulate the economy and create long term jobs has failed so miserably so that we have the highest unemployment rate now in Canada since 1940?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, the Member for Transcona and I might share occasionally, some mutual points of criticism with respect to federal policy, and the application of that policy to the particular situation as we find it in Canada today, but having regard to the particularity of this question I can only say that explicit point was not discussed. What was of concern, however, and what remains of concern, notwithstanding the efforts that have been made by the federal government and by many of the provincial governments, is that the federal government cash deficit at the present time stands in the order of approximately \$9 billion and the outlook for the next fiscal year is not promising at all in that regard; and that in turn is contributing to the inflation and unemployment, which is the handmaiden of inflation, that we have at the present time.

I don't, at this moment, feel that I need instruct the Prime Minister about the dangers of that situation. We're facing a somewhat similar situation in modified form in Manitoba and trying to deal with it as best we can. But we should not be unaware of the twin problems that face the federal government: one, the question of unity, which has a bearing upon international investment; and number two, the question of the huge federal deficit which overhangs not only the efforts of the federal government but indeed overhangs the efforts of any provincial government, with respect to restimulating the economy in Canada.

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

**MR. LLOYD AXWORTHY:** Well, Mr. Speaker, I have a question for the Minister responsible for Manitoba Housing and Renewal Corporation. Can the minister now confirm that the Board of Directors of Manitoba Housing and Renewal Corporation have slashed in half the proposed public housing program for 1977, and will in fact only be applying to Central Mortgage and Housing for the addition of some \$23 to \$25 million worth of projects, instead of the \$46 million that were presently on the considered list?

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

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I cannot confirm that at this time. The decisions have not been completed.

**MR. AXWORTHY:** A supplementary, Mr. Speaker. Can the minister indicate when in fact he would be able to confirm to this House that these decisions have been taken, and to announce to this House if the government has any alternative program in mind to supply housing in the province, considering that the vacancy rate in Winnipeg is now less than one percent?

**MR. J.F. JOHNSTON:** Mr. Speaker, the Leader of the Opposition asked me a very similar question yesterday as to when I could confirm the program of the Manitoba Housing and Renewal Corporation, and I told him that I would be able to in the very near future. I cannot today.

**MR. AXWORTHY:** Well, a final supplementary then, Mr. Speaker. Can the minister indicate whether there has been any kind of an application to Central Mortgage and Housing to see if there are surplus funds available, that they would be re-directed then to alternative programs such as the assisted rental program, or other forms of programs to stimulate rental housing in the province?

**MR. J.F. JOHNSTON:** Mr. Speaker, the question that have we applied to CMHC to see if there is any further funds at the present time, is no; we are presently looking at our program for next year in which it is being considered as to where we go. As you know, CMHC's year ends at 31st of December. Our year ends on March 31st and we are always in that little area of problem. We have to now see what CMHC has available for next year. We know what we had for this year.

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

**SCHREYER:** Well, Mr. Speaker, my question is to the Minister reporting for Manitoba Hydro. Given that the National Energy Board has finally approved, a few months ago, the construction of a 500 kv line interconnection southward to the United States, can the minister assure the House that work on that line is proceeding a pace for in-service 1980, and is not being cutback or modified to slow-down?

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

**HON. DONALD CRAIK (Riel):** Mr. Speaker, I can indicate to the Leader of the Opposition that there has been no cutback or no decisions taken by the current government with regard to any change in the program that was underway with regard to that line.

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

**MR. EVANS:** Mr. Speaker, I'd like to address a question to the First Minister. In view of the fact that by far the largest proportion of manufactured goods which Manitoba consumers buy come from outside of Manitoba, is not the First Minister concerned that a cut in personal income taxes will to a large extent not have the desired stimulating effect on the Manitoba economy, because of the leakage of such funds out of the province for importation of such goods?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I suppose that that's a question that could have been posed to any Premier of Manitoba since 1870. I don't have any specific answer to my honourable friend other than to say that I have always been of the personal view that people were much better managers and much more prudent managers of their own money than any government, of whatever stripe, could ever be.

**MR. EVANS:** Mr. Speaker, I'm sure the Honourable First Minister is quite concerned about job creation and therefore I ask the question in relation to getting the greatest number of jobs for the amount of tax cut or the amount of government spending, and I ask him if he has compared the number of jobs he can obtain for the people of Manitoba via a direct job creation program versus a tax-cut approach, which is obviously the approach that the government is choosing to follow. And I ask that question of comparison, whether a real honest comparison has been made as to the effect of one approach versus the other, because of the fact that the greatest percentage of the manufactured goods . . .

**MR. SPEAKER:** Order please, order please, order please. I must remind the member that questions are intended to be concise and to the point, and I would ask the member to keep that in mind when he's asking his questions. The Honourable Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** Thank you, Mr. Speaker. My question is for the Minister of Agriculture, and I would ask him if he has received any additional information on the points I raised some time ago in this House in regard to the reduction of the basic herd in the Parkland area?

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

**HON. JIM DOWNEY (Arthur):** Yes, Mr. Speaker. I believe I had a report on the feed yesterday but I do have a further report for my friend opposite that I have a report from several people in the area in markets and they are telling me that the normal culling of herds is taking place but there is no great amount of breeding stock being removed, that they are saying that there is a little extra culling but no removal of basic herds.

**MR. ADAM:** Yes, to the same minister, Mr. Speaker. Could the minister advise if he has received documentation from the ranchers in the Parkland area indicating an impending reduction of between 30 and 40 percent in the basic herd?

**MR. DOWNEY:** Mr. Speaker, at this time I have not received such a document. I have received documents indicating the amounts of feeds available but I have not received a document stating the number of herds being cut down.

**MR. ADAM:** A further supplementary, Mr. Speaker. Could the same minister advise if he has received a request for a meeting from ranchers in the Parkland area?

**MR. DOWNEY:** Yes, Mr. Speaker, I believe I reported to the House yesterday afternoon in Question Period that a meeting is being set up with a group of ranchers from the northern part of the province.

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

**MR. URUSKI:** Mr. Speaker, to follow up on the question of the Member for Ste. Rose and my

**Wednesday, December 7, 1977**

questions yesterday, has the minister received a petition or a survey conducted by farmers in the Fraserwood, Inwood, Komarno and Malonton areas?

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

**MR. DOWNEY:** Mr. Speaker, I would have to check on the exact areas. I have them from certain areas but I couldn't state at this time that it is that area specifically.

**MR. URUSKI:** Mr. Speaker, a supplementary question. Based on the minister's answers yesterday that there is no overall feed shortage within the region, is the minister prepared to consider some assistance to the 150 farmers who would be short some 20-odd thousand tons of hay not including the hay that has been spoiled as a result of the adverse weather conditions in the region that I have just mentioned?

**MR. DOWNEY:** At this time, I have no intention of coming forward with a feed assistance program.

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

**MR. ADAM:** Mr. Speaker, again a question to the Minister of Agriculture. Is he able to advise the House when this meeting is going to take place at this particular time with the ranchers?

**MR. DOWNEY:** Firstly, I have offered them the feed testing lab for their service to find out what the quality problem is and have recommended, after we have a little more information, that we meet at that time and hopefully it will be fairly soon.

**MR. SPEAKER:** The Honourable Member for Ste. Rose with a supplementary.

**MR. ADAM:** Yes, Mr. Speaker, I was trying to find out if the minister could indicate just when a date will be set for a meeting with the ranchers.

**MR. DOWNEY:** As soon as it is convenient for both parties concerned.

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

**MR. SCHREYER:** A supplementary, Mr. Speaker, to the Minister of Agriculture. Even though the minister said that he has no intention at this time of introducing an emergency feed assistance program, may I ask if he can indicate to this House whether he has met with any senior federal officials with respect to the applicability of the federal 50 percent cost-sharing on any such emergency feed assistance program?

**MR. DOWNEY:** Mr. Speaker, to this time, I have not met with any senior federal officials.

**MR. SCHREYER:** That being the case, Mr. Speaker, I should like to ask the Minister of Agriculture if he is satisfied that non-utilization of the federal offer of assistance, at a time of distress being faced by some with feed problems with respect to their livestock, is in the public interest?

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

**MR. RONALD McBRYDE:** Mr. Speaker, in order to further enlighten myself on the Conservative economic policy, I wonder if the First Minister could explain if the situation that persists across Canada where 20 percent of industrial capacity is not utilized, if that same figure applies to Manitoba and if it does, how that fits in with the Conservative philosophy.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I would have to take the question as notice with respect to the amount of unused capacity in Manitoba. I believe from what I have heard and read that the honourable member's figures with respect to Canada are approximately correct. We have to take his question as notice insofar as it affects Manitoba.

**MR. McBRYDE:** Mr. Speaker, in light of the way the First Minister has been responding today, I just have to ask him, besides meeting with the Prime Minister yesterday, he also met with his public relations or public image people?

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

**MR. PARASIUK:** Thank you, Mr. Speaker. My question is directed to the Minister without Portfolio responsible for the Task Force on government efficiency. Will civil servants whose particular positions are found redundant in his exercise be put on a waiting list to have first access to jobs for which they are qualified that might arise through attrition in the future?

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

**HON. SIDNEY SPIVAK, Minister without Portfolio (River Heights):** Mr. Speaker, that's a hypothetical question.

**MR. PARASIUK:** Mr. Speaker, in the light of the minister's statements that there will be reductions, will these people be put on a waiting list?

**MR. SPIVAK:** Mr. Speaker, the intention of the government is to comply with the Civil Service Act.

**MR. PARASIUK:** Have the two civil servants who were terminated recently been put on a waiting list which is a normal courtesy in any provincial jurisdiction when they are going through any type of reduction exercise.

**MR. SPIVAK:** Well, Mr. Speaker, my understanding is that the Civil Service Act applies and the procedures that are allowed or provided therein in fact will be followed.

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

**MR. EVANS:** Yes, thank you, Mr. Speaker. I would like to ask a question also of the Minister without Portfolio in charge of the government task force on organization and economy. Can the minister advise the House of the size or extent of the budget made available for his task force?

**MR. SPIVAK:** Mr. Speaker, I am really not in the position to do that at this time. The budget would come under the Executive Council at this particular time because it is a function that is under that structure. I should indicate to the Honourable Member for Brandon East that it is not intended to be a high budget and to date there have been no expenses relating to the individual members of the review teams. I think I have indicated in the House that there may very well be some travel required. I assume that that cost will be borne but the intention, Mr. Speaker, is to keep it at a minimum, in line with the restraint policies of the government.

**MR. EVANS:** I thank the honourable member for his answer. I would like to ask him a supplementary, Mr. Speaker, and ask the honourable minister whether he can advise us whether the rural members of his task force will be paid out-of-pocket expenses.

**MR. SPIVAK:** Mr. Speaker, that is something that still has to be worked out. I would suspect that in some cases this will occur, in some cases it will not. It will be a policy determination by the task force dealing with the individuals. And the time allotment, the fact that many of them will in fact be travelling to Winnipeg in the course of other matters, it may very well be in a position to adjust to the meetings scheduled.

**MR. EVANS:** A supplementary, Mr. Speaker, if I may. Then, as I understand the minister from his remarks, there is no, at this point in time at least, no idea or estimate that he can give the House of what degree of expenditure will be involved in the task force.

**MR. SPIVAK:** No, Mr. Speaker, it's very difficult. I have indicated again that those who are serving the task force will not be paid. There obviously will be some costs that are attendant to the operation of the task force including printing. I would suggest that the intention again of the government is to try and minimize the cost but recognizing that, in some cases, out-of-pocket expenses will of course have to be met. In terms of an overall global budget, that has not been set. I think we will be in a better position once all the members of the review teams have been selected and we have some idea of the procedures that will be operating in the various situations.

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

**MR. AXWORTHY:** Mr. Speaker, to the same minister on the same subject, can he indicate that of the eight review teams that are being established, whether he intends to make public the names of the members of each of those review teams and give their background and particular qualifications for undertaking this task?

**MR. SPIVAK:** Not all the teams have been selected and we are not really in a position yet to provide that information in detail but it is the intention that the names will be known.

**MR. AXWORTHY:** A supplementary, Mr. Speaker. In the operation of this task force where they are undertaking certain special studies on things like Legal Aid and inter-governmental relations and so on, who is undertaking these special studies? Are there going to be additional teams or consultants going to be hired for these special studies or are they being undertaken by civil servants presently in the government?

**Wednesday, December 7, 1977**

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**MR. SPIVAK:** Mr. Speaker, the intention is that the review teams will have available to them those who are involved within the civil service dealing in the line departments along with those who are involved in the overview of the departments from Management Committee, along with members of the task force. It is not the intention in the main to request the assistance professionally of consultants although there are a number who have offered, Mr. Speaker, their assistance at no cost to the government and it may very well be that they will be called on. In addition, Mr. Speaker, a request has been given for written submissions and we have received a substantial number so far and they are coming in daily. Those submissions will be given to the review teams for their consideration and will provide part of the additional information complementing the information supplied from the civil service and from the Management Committee and from other members in the various line departments.

**MR. AXWORTHY:** Another supplementary, Mr. Speaker. Can the minister indicate whether these review teams, as they undertake their operations, will be dealing with the variety of client groups affected by different government departments? For example, the review team on local government, will it be interviewing different officials of municipal and city government to determine what their evaluation is of the effectiveness of different government programs, or would they be maintaining a totally in-house operation?

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

**MR. SPIVAK:** Mr. Speaker, I don't want to any way indicate exactly how the review teams are going to operate. I would suspect that they will, in fact, operate in some cases in the way the Honourable Member for Fort Rouge has suggested, but that will be their determination within the time limits available to them for the initial overview, and hopefully first recommendations for consideration by the task force.

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

**MR. AXWORTHY:** Mr. Speaker, the Minister's answer just gives rise to one final supplementary, and that is, do I understand that each of the review teams will be, in fact, determining their own particular method of evaluating these programs and the task force has not set out its commonherms of reference for them to evaluate so that each department and each program will be evaluated differently by these review teams?

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

**MR. SPIVAK:** Mr. Speaker, that conclusion is not a correct conclusion. Mr. Speaker, I simply indicate to the Honourable Member for Fort Rouge that there are a number of different operations of government and a number of different functions, they do not operate in the same way. The overall objectives of the task force has been set out to the review teams that have been organized so far, the methods of procedure, in general, have been discussed, but it is going to be up to them to make the decisions of how to achieve the objectives that have been set forward, and they will apply common sense in trying to deal with the information and obtain the information for the decision making that's required.

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

**MR. SCHREYER:** Mr. Speaker, given that there will be eight review and according to the Minister that they will minimize and nevertheless incurring some justifiable costs, I would like to ask the Minister of Agriculture if he will undertake, even if perhaps at the expense of one of those eight review teams, to incur some justifiable cost is dealing with the problem of those who incurred substantial loss of feed because of drought in the early part of '77 because of rain pre-empting a second cut harvest of hay later in 1977? should like to ask the Minister of Agriculture to confirm or deny that, in fact, there is a standing program to meet this problem which is joined in by both Federal and Provincial Governments on a 50 percent cost-sharing basis.

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

**MR. DOWNEY:** Mr. Speaker, I will take that as notice, and check into it.

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

**MR. ADAM:** Yes, to the First Minister. I wonder if he could advise the House if there were any discussions yesterday with the Prime Minister in regard to Manitoba's withdrawal from the wage and price guidelines.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Only in the very generalized sense of discussions on the economy itself.

**MR. ADAM:** Was a date discussed, was any date discussed for Manitoba's withdrawal?

### ADJOURNED DEBATES — SECOND READING

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

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance. The Honourable Member for Lac du Bonnet.

**MR. SAMUEL USKIW:** Mr. Speaker, the other day, in fact yesterday, the Member for Pembina gave us a deluge of opinion as to the value or the lack of value of succession duties as part of our taxation system, and in the course of his remarks he tried to suggest to us, Mr. Speaker, and convince us that indeed that was an unwarranted intrusion into the affairs of private companies, and indeed, Sir, he belaboured the fact that it was indeed an intrusion on the lives of many of his constituents, namely the farm population.

I would like to begin by pointing out, Mr. Speaker, that succession duties are not something new, they've been with us for many, many decades, I believe at least since the end of the last war, and that they were applied universally across Canada for a number of decades, which indeed, of course, would be the preferred way in which I would like to see them continued. It is somewhat more difficult, Mr. Speaker, to have some provinces in a form of taxation and others out, for the simple reason that there always is the argument, if not the reality, of the lack of ones competitiveness if one is in and the other neighbouring provinces are not.

Mr. Speaker, in introducing succession duties into the provincial system, many provinces, of course, made very dramatic changes from the succession duty policies of the Federal Government as they were applied up to 1972, and I think that is the point that has been completely overlooked by my friends opposite, Mr. Speaker, in that one would have to do a good analysis of where we are compared to where we were with respect to the level of taxation. On a stage, one would have to take a look at the level of taxation imposed by the federal government up to 1972 and the level of taxation that is now imposed by all of the remaining provinces that still apply the levy.

I believe that it's, and I don't have the exact figure, but the federal exemptions, when they vacated the field, were somewhere in the order of \$60,000 back in 1972. Not so long ago, Mr. Speaker, only five years ago. And I think you would have to agree, Mr. Speaker, that when the provinces moved into the field that they indeed took a different view to the question of basic exemptions in recognition of the fact that we had an inflationary situation before us, that values were changing fairly rapidly and that not only should we increase the exemption to protect small business and small farms, but we should certainly maintain our position with respect to inflation. And I think we have done more than that in all of the provinces that have applied the succession duties in the last 5 years. Certainly, in this province, we have moved our people from an exemption rate of 60,000 or so, which it was under the federal system, to now 250,000; and if you take into account, Mr. Speaker, the Marital Property Act then you really are talking about a basic exemption of \$600,000 as between spouses. And I think that is important to bear in mind, because what seems to be happening, Mr. Speaker, is that we have sort of gone on a tangent on this issue, that we have overstated it in terms of its so-called negative impact on small business and farms in Manitoba, and that we are really in a position where we have become hung up about something that was truly not a problem to anyone in the province of Manitoba, not a financial problem, Mr. Speaker, as the Member for Pembina tried to suggest.

I think it's interesting to note, Mr. Speaker, that to date, if there were any hardship cases, they have not shown up. I don't believe the Member for Pembina, Mr. Speaker, was able to produce one document here in his debate yesterday, in his contribution yesterday, to show us, to convince us, that one individual of all of the people of Manitoba had a hardship position with respect to the payment of succession duties. He was not able to show us one example, Mr. Speaker. Yes, he was able to generalize, but he was not able to show us one concrete example of a problem that was created as a result of Manitoba's estate taxes. And surely, Mr. Speaker, if there is a problem, we should become aware of it. I don't think we should generalize as has been done by Members opposite in presuming that there is a problem when there really there is none that exists.

I asked the former Minister of Finance whether he was aware during his term of office, and the Minister of Finance before the last one, Mr. Speaker, whether he was aware, and as far as they are aware, Mr. Speaker, there is only one case where there was some request for an extension of time in order to pay the succession duties. Of all the transactions, there was only one such request in the province of Manitoba in the last 5 years. Certainly, Mr. Speaker, that doesn't indicate to me that this presents a serious problem to the people of Manitoba, that indeed it requires an emergency meeting of the Assembly in order that we deal with a very onerous tax situation that is putting many people into bankruptcy. Mr. Speaker, I don't believe if the exemption rates are extremely generous — extremely generous, Mr. Speaker.

But before we get into the detail of the exemptions and whether or not they are adequate, I think we should take a moment, Mr. Speaker, to discuss the principle of taxation on wealth, because that is

basically the philosophical gap between the two political parties in this assembly, at the present time; and that is that it seems that my friends opposite want to hang on to old conservative dogma, Mr. Speaker, they believe that those people of great wealth are the ones that must be catered to in order that the masses would benefit somewhat from their exploitation of resources through the use of that wealth, or from whatever they do with that wealth in the local or national economy and that there are spin-off benefits that will indeed somehow trickle down so that the average individual can find a job, can demand a pay package, and so on. That is the theory that has been so consistent by Members opposite for a . good number of years.

Mr. Speaker, I believe the former Minister of Mines did a splendid job yesterday in pointing out the fallacy of that argument, and it is not my intention to repeat some of the statistics that he introduced into this Chamber yesterday, but only to say, Mr. Speaker, that it is true that if that were so, if that were so, then certainly the provinces or the areas of the world which didn't apply that levy should, of course, be the best off. That is not the case at all, Mr. Speaker. But I think it is a mark of the maturity of a society when they do apply some level of taxation on wealth. I think it indicates their openness, broad-mindedness, recognition of the fact that accumulation of wealth was a result of living in that society, of living in that economic system, and therefore it was a contribution made to them in the first place by the system itself, and therefore there is nothing wrong with an obligation to contribute back at a time when wealth transfers from one generation to another. That is a principle I think that should not be difficult for most people of common sense to appreciate. Certainly, wealth is not generated by oneself, wealth is generated by the total system; and to the extent that one is involved with investment capital, the creation of further personal wealth or gains, that has to be derived from the community as a whole, Mr. Speaker, because it is a community as a whole that creates the wealth. It is a pair of hands that are put to work, Mr. Speaker, that creates the basic wealth, and that's something that should not be forgotten. There is no wealth without productivity, and productivity is of the common people, Mr. Speaker. Money will not make money, Mr. Speaker, unless you have a lot of slaves under it, and that is a basic principle that has been understood for many, many centuries, Mr. Speaker, it is not a new revelation. My friends opposite can have all the money they want; unless they have the willingness and participation of people in society to work and to contribute, they cannot generate any new wealth from the fact that they already have some in the first place, they have to have the co-operation and the willingness of people in the community.

The Member for Pembina went on to suggest, Mr. Speaker, that indeed he was faced with such severe hardship cases in his constituency but unable, Mr. Speaker, to prove his allegations, unable to demonstrate in fact by presenting us with a case problem that indeed that was the case. And you know as I listened to him speak, Mr. Speaker, it became obvious to me that he really didn't know of any problems. He was assuming from an ideological point of view that this had to be a bad thing for people with money, and that's as far as his research went, Mr. Speaker. Because, Mr. Speaker, he went on to tell us that there were real problems there, that land values had gone up from \$400 to \$700 an acre, and as these people got richer, they got poorer at the same time. He said it was a hardship for them to become wealthy. Well, heavens, they could have become poor if it was difficult to be wealthy. What are capital gains, Mr. Speaker, but windfall profits in the first place. When the Member for Pembina suggests that his friends, his neighbours, are having a tough time of it because their land went from \$400 an acre to \$700 or \$800, you know, everybody in Manitoba would wish that would happen to them, Mr. Speaker., 99 percent of our citizens would hope that that would happen to them.

Mr. Speaker, the suggestion that increased wealth somehow inhibits those people who have had the enhancement of that wealth has to be nothing but absolute nonsense, Mr. Speaker. Mr. Speaker, I am prepared to take on all the wealth that gentlemen opposite are willing to give me, and I will pay the share of gift taxes or succession taxes or whatever they are a combination of that is required by the succession duty laws of this province during the time of this government. How incredible, Mr. Speaker, that we have a debate in this Chamber about the need for tax relief that affects one and a half percent of our people, that we have to have an emergency session — (Interjection) — the top one and one-half percent, yes — that we need an emergency session to bring relief to one and a half percentage points of our population, the top income earners of this province.

Mr. Speaker, in the course of my travels, in the course of my discussions with people with some wealth, it was difficult to find very many that would find themselves in a problem situation with our succession duty laws as they were, with the generous exemptions that have been provided. But you know the psychology of my friends opposite is that you must somehow, for your special interest group, provide them a free ride, let somebody else pay the bill. That's really their psychology.

Now, Mr. Speaker, let's talk about paying bills, let's talk about your share of the cost of running this province, of running this country, of the basic services that are provided. Let's examine the problem of the farmer in Pembina, right around Morden. He might even be a farmer, Mr. Speaker, who

delivers products to Morden Fine Foods and is getting a subsidy through the indirect subsidy of the plant itself. Number one subsidy right there, Mr. Speaker, the subsidy to underwrite the losses of Morden Fine Foods goes right into the pocket of my friend, who says his farm is having problems with increasing land values. That's really what he's telling me, Mr. Speaker. We're talking about the elite in agriculture, Mr. Speaker — the best land, special co-op production, these are the elitists in agriculture, Mr. Speaker, but who are subsidized every day through the sale of their products to Morden Fine Foods, every day. When they accumulate wealth as a result of those subsidies, they then say "we don't want to pay any Succession Duties." — (Interjection) — That's basically what he is saying, Mr. Speaker. That's basically what he is saying.

Mr. Speaker, let's examine the other concessions. Let's examine the other concessions that my

honourable friend's constituents enjoy. They don't pay any motor fuel tax; something that the average Manitoban doesn't have the privilege of doing, Mr. Speaker. It's an exemption, Mr. Speaker, provided for a special group of people. They don't pay sales tax on most of their purchases. They don't pay sales tax on most of their purchases, Mr. Speaker. —(Interjection)— That's an exemption, exemption provided for those people whom my friend is concerned about, who can't afford to pay Succession duties if they own a million dollars. That's really what he is saying. Mr. Speaker, they don't pay the full Property Tax. They have been exempted from taxation on their homes from day one. Nobody else in society is so exempted. The only group exempted from paying taxes on their dwelling — Mr. Speaker, that is a concession.

Mr. Speaker, they have been subsidized with low interest rates since ever I can recall, on their loans. They are subsidized on their loans, Mr. Speaker, and have always been subsidized and will continue to be subsidized. Mr. Speaker, they have been provided a concession under capital gains, whereby they can roll over the farm unit to the next generation, without penalty. All of these concessions Mr. Speaker, were provided for by provincial and national governments, for a very good reason, for a very good reason, Mr. Speaker, —I don't argue against them — the reason is that agriculture being unstable, unsure, insecure, that these basic exemptions and privileges were extended to the farm community to make them viable. I don't quarrel with it, Mr. Speaker. I think they have to be done that way. But, Mr. Speaker, in the end when you tell me that you have accumulated a million dollars and that you have benefitted from all those exemptions over the years, don't tell me you don't owe anything to society.

**A MEMBER:** Hear, hear!

**MR. USKIW:** Don't tell me you don't owe anything to society because somebody has to pay the bills. —(Interjection)— Yes, we educated them, Mr. Speaker, there's no question about that. The public paid for that too, of course. Somebody has to pay those bills. The question is whether you are going to ask the person who has some wealth to pay some of those bills, or whether you are going to put the full load on the little people, Mr. Speaker, as what my friends opposite are advocating.

Mr. Speaker, let's examine this question most thoroughly. Let's examine this question, Mr. Speaker, because what is the basic exemption under our income tax laws at the present time? The basic exemption before one starts to pay income tax, provincial and national, it's about \$2,100.00. After I have worked with these two hands and earned \$2,100, the state demands of me that I make a contribution to pay for state services. Mr. Speaker, how can my friends opposite, honestly put the argument that an individual who earns more than \$2,100, is obligated to contribute to the state, to pay for social services, government services, and a person who through a windfall benefit, pays nothing even if it's in the millions of dollars? How can you put that argument, how can you even say it in terms of religious or Christian principle, Mr. Speaker? —(Interjection)— Where is the conscience of my friend, the Member for Pembina, when he is prepared to unload all of the burden on the little people of Pembina, in order that he will protect a handful, Mr. Speaker, because that is essentially what the statistics bear out.

Mr. Speaker, the statistic which sticks in my mind, is that this legislation is being passed for 148 people for 1976. Of a population of over a million, this legislation is being passed for 148 people, of a population of over a million, 1.4 or 1.5 percent of our population.

Well, Mr. Speaker, the member — I can't recall, I don't know who it is. Oh, it's the Member for Arthur — is suggesting that he would like to talk about land-lease. Well, I'm going to get to that, Mr. Speaker, because it was introduced into this debate by the Member for Pembina, who also didn't know what he was talking about, Mr. Speaker. He talked about the hardship of young people getting into agriculture because of estate taxes. Mr. Speaker, he talked about the hardship. You know in Alberta they never had any for years. When did they have estate taxes in Alberta — can anyone tell me? How long? Fine farming community. It's interesting to note, Mr. Speaker, that Saskatchewan and Manitoba are leading the whole of Canada in terms of new young farmer entries into agriculture in the last census period. It has nothing to do with estate taxes, Mr. Speaker. It has to do with the willingness of governments to put forward programs that give some incentive and encouragement for young people to get started. Mr. Speaker, it is an absolute fact that the rate of entry of young people into Manitoba agriculture as a percentage of the total new entries is greater than any other part of Canada except Saskatchewan, at 21 percent, Mr. Speaker. The national average, Mr. Speaker, in the last census period was 19 percent of the total new entries as being young people. In Alberta it's 19 percent, Mr. Speaker. —(Interjection)— Yes, in Alberta it's 19 percent, but in Manitoba it was 21. I suppose it's because we have Succession Duties that we have so many more young people entering agriculture in the last five years, Mr. Speaker. Is that really what my friend is trying to suggest?

So, Mr. Speaker, I would like to know from members opposite, if they can show me a case in point where there has been a problem created, a hardship created, and where they were not able to solve that problem through the provision made in the legislation itself. Members opposite know that there is a six-year period over which one can pay whatever level of taxation is imposed on them. The legislation also provides that if that is insufficient, and if there is hardship, that that period can be extended for an indefinite period. At what rate of interest, Mr. Speaker? I don't know why, I don't even know why we did it, Mr. Speaker. At what rate of interest? At five percent, at a subsidized rate of interest for an indefinite period of time into the future — another subsidy, another subsidy, Mr. Speaker. The Member for Pembina talked about 10 percent money and the cost of paying this off over a period of years. He didn't even know the Act, Mr. Speaker, because he talked ten percent money.

Wednesday, December 7, 1977

Read Section 53, Mr. Speaker. Read Section 53 and you will find that those who have to pay succession duties and find it difficult to meet the six-year deadline to make those payments, are able to extend that period for an indefinite length of time, at five percent interest rates, Mr. Speaker. Five percent interest rates — better than they can borrow money any place else in the world, Mr. Speaker. Yet, this is to facilitate a very wealthy transaction. ) I don't know why it is that the Minister of Finance put in a five percent interest rate. I really can't understand that, Mr. Speaker, because we're dealing with someone who has a problem of inheriting a half a million dollars. That's really what we are dealing with, Mr. Speaker, someone who has a problem of inheriting a half a million dollars. — (Interjection)— Of course, I am not afraid to debate that one, Mr. Speaker. I have yet to find one who really has a problem, Mr. Speaker, under that Act. I have found many who have been confused by my friends opposite, but Mr. Speaker, I have not found one who has had a problem with this Act. Now my friends are going to have to do what I told them they're going to have to do in the Throne Speech Debate. They are going to have to continue to mislead the people of Manitoba in order to try to hang on to their credibility. That's basically the position they've put themselves in, because once you start misleading, you have to continue to mislead.

**A MEMBER:** Oh what a tangled web we weave when once we practise to deceive.

**MR. USKIW:** So, Mr. Speaker, during the time when we were in government and during the time that you have been in government since the last election, no one has yet convinced me or has shown a case problem where someone has had difficulty in handling our Succession Duty laws. Not one, not one out of all the transactions and we've had 39,000 of them, I believe it was, Mr. Speaker. All told we had 38,609 deaths in Manitoba since 1972, and out of that, 811 were taxable returns, Mr. Speaker, and out of that we haven't had more than one — I shouldn't say not one, because I was told that there was one who made an inquiry about extending the payment period. Now, Mr. Speaker, that has to be an emergency situation, to say the least, doesn't it? It requires the attention of all of the members of this assembly because in five years only one person out of 39,000 estates found some difficulty in meeting the requirements of the Estate Tax laws of this province. I don't know who that one is even, Mr. Speaker.

Now my friends opposite know, they know full well that there are many ways of alleviating that problem or potential problem, if they have structured their business in a certain way. Many farmers have the facility of incorporation. You know the "tear-jerk" argument, that you know this young son who worked on the farm all the time and he's really inheriting his own productivity. He should get it while he's doing it, he should get a bit of a wage. You know the Member for Pembina didn't even have his statistics right on the gifting, because when I interjected he suggested — including the Minister of Finance, Mr. Speaker. Well, Mr. Speaker, I was correct. The exemptions on gifts have been increased from two to five thousand dollars, and six thousand dollars for the spouse under the new Marital Property Tax arrangement.

**A MEMBER:** Maybe he's going to change his vote now.

**MR. USKIW:** So, all of the facts, Mr. Speaker, that have been produced by the Member for Pembina, are found wanting, Mr. Speaker. All of the facts that he had laid on the table have been found wanting. I ask him to produce me a specific case, a file, a document to show where one individual in this province has had a problem under that piece of legislation. And then I ask him, Mr. Speaker, to search his conscience and re-examine the position that the ordinary people, Mr. Speaker, should pay the full burden of government services and the wealthy people should get off scot-free. That's really what I'm asking him to do, because, Mr. Speaker, they are getting off scot-free. If they don't pay Succession Duty, they have been off scot-free. — (Interjection)— Mr. Speaker, corporations don't pay taxes. It's the people who buy their products who pay the taxes for them. Other than on their personal salary, they do not pay any taxes and my friends opposite, know that.

So if you remove this one, they have been in business for a lifetime and they have had no obligation, no obligation to society, to the jurisdiction in which they have accumulated this wealth that has become such a problem to them. Mr. Speaker, that argument cannot be — cannot be sold successfully. On examination, Mr. Speaker, that argument falls flat on its face. Mr. Speaker, I reject totally and completely the argument that the present laws, as they are, are inadequate, are creating hardship. Mr. Speaker, I make only one, not concession, but observation perhaps, because we have already had the example of this government, the New Democratic Party government, adjusting those levels, the exemption levels every year, every second year, to reflect the current economic conditions. There's no doubt in my mind that we would have had to do that again over and over again. Mr. Speaker, there's no doubt in my mind that we probably would have come to the position of elimination if it was obvious that we were going to be left as the only province — although I'm not sure that that would have been necessary, but I believe that probably would have happened. You know you have to remember that most Canadians are still subject to estate tax law. It's the minority Canadians who are not, and really if you have any conscience whatever, with respect to tax policy, then we should be the last to go out, not the first, Mr. Speaker. We should be the last ones to vacate that field. Because it's an insult, Mr. Speaker, to tell anyone who has to pay taxes after \$2,100 of earnings that someone who has a windfall of \$1 million shouldn't pay any. It's an absolute insult, and

my friends will not be able to convince the masses of people that it is not. Thank you .

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

**MR. CRAIK:** Mr. Speaker, I'll be closing debate.

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

**MR. JAMES R. FERGUSON:** Thank you, Mr. Speaker. I would like to rise at this time and make a few comments to do with Bill No. 3. This is a particular matter that has been discussed many times in this House through the form of Private Members' Resolutions, etc., over the many years, and I think we've all heard the various arguments a hundred times both ways.

It basically is an ideological clash between the two different trains of thought. The Member for Pembina yesterday laid out, I would say, possibly one of the most comprehensive statements that has come forth to this point. He is a new member and I think that he will have a bright future in politics. He has done his homework. He presented the case very well and certainly put forth the views of his constituency and most of the people in rural Manitoba.

As usual, the Minister of Agriculture is completely out of touch with reality and it has shown in practically every endeavour that he has undertaken when he was minister. He normally found himself on the wrong end of votes. Seventy-seven percent of the people in the agriculture sector at one point in time assured him of where their show of support was and it certainly wasn't with the Minister of Agriculture.

Many of us from the rural areas do feel a bit indebted towards him to the degree that he did spend a lot of time in our constituencies and, as always, he was a big help to us during election time. So we certainly appreciate that effort, again. Thank you.

It would seem that his trip to Cuba last year also went to his head. He trotted around last spring showing us his pictures of what was going on in the communal farms as against the free enterprisers. It never occurred to him at any time, possibly, that those people that were living in those so-called shacks, etc., they maybe preferred this way of life. And possibly the day will come in Cuba, not probably without another revolution because this doesn't happen when you get a socialist or a communist government firmly enough implanted. You find it very difficult to unload them.

He has preached over the years, Mr. Speaker, his stay option. I think he has missed the point. He has missed the point completely and you can easily understand it, because really, on the other side, there is very little representation from the farm community or the business community. I am talking about the small business — the people that are out putting forth risk capital, taking the risk in the marketplace. And you can understand the wage-earner and the professional people leaning back and saying, "Well, you know, the rural people are out for another free ride. They are always giving a subsidy here, and a subsidy there." I think they should be aware of the fact that in most cases when a subsidy is paid out to the rural people, they get it back, because normally the course of events is that we're out not on a free-load deal but to supply food to the citizens of Manitoba, which includes the wage-earner more than possibly anyone else, as cheaply as possible.

We have had several statements made — the Honourable Member for La Verendrye the other day stated that there had been an outflow of capital of \$1 billion. It may be \$1 billion and it may be \$10 million or whatever the case may be, but here again the reason being that this capital is not staying in the province, it is not generating any further jobs. First, people are not investing it. It's going out simply because of the fact that people had lost the incentive to put risk capital into this province due to the thinking of people like the Minister of Agriculture.

We find that he also said that the rural people are getting a free ride. I'd like to point out to him that in the municipal budget the education tax is running anywhere from about 55-58 percent where the balance is going in the municipal. But we basically could, you know, Mr. Speaker . . .

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet, a point of privilege.

**MR. USKIW:** Mr. Speaker, the Member for Gladstone indicated that I had said that farmers are on a free ride; I had not said that.

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

**MR. FERGUSON:** Well, I'll just take the principle, then, not the exact words, Mr. Speaker. He inferred several times through his speech that, you know, that capital accumulated, it didn't make any difference whether you had spent three or four generations doing it, basically again the wage-earner can say, "Well, so what?" And I think again where the minister has missed the point is that the rural community are not out to seek special benefits; they are basically out to try and hold their units together that they do have. The complications and the problems that could arise were explained very adequately the other day by the Member for Pembina, and I don't think really that the urban dwellers have to have any fear of the family farm or the individual unit becoming a capitalistic society, or a monopoly or whatever the case may be.

Somewhere along the line over the course of years by attrition, by possibly an unfortunate accident or something along this line, that family farms will eventually fall apart. You can see it in every rural community and consequently the general run of events in many cases will decide what is going to happen.

I think that something that has been lost track of here is that the big operators, the people that are well-in-the-know, in the tax brackets that are far beyond the average farm, are in a position to protect themselves through forming other companies and various tax dodges.

What the former Minister of Agriculture has forgotten is that there is a great hardship to the degree that through estate planning and one thing and another you find that possibly due to the fact that one's health is not good enough that you can't carry life insurance to protect your estate, and various other things that can happen that basically does contribute to a very punitive taxation.

Something else that should be pointed out is that on every dollar that one is taxed on, succession duty tax has already been paid on it so really you're not seeking any special benefits. Income tax has been paid on every one of those dollars. So if you happen to have one left, you find that succession duty is any dollars that were eligible for taxation were taxed — we'll put it that way. — (Interjection) — Yes, okay. So consequently I feel that there is a good case to do away with the double form of taxation.

As I pointed out earlier, what is basically happening here is that rather than having the minister's plans whereby you tax to the degree that you have to sell and then the feds move in and take a capital gains tax, you know and this was all going on for \$5 million, I think last year through succession duties. I would wonder what it has cost the people of rural Manitoba, not only in dollar value, estate planning and various other methods of trying to escape succession duties. — (Interjection) — Yes, the lawyers and accountants have never had it so good. There's just no way, but this basically is the former Minister of Agriculture's theory that you should tax into a degree whereby he could come rushing in or one of his representatives, the first person into the yard — and say, "Well, you know, we'll buy your farm. You can be a serf for the state." And that's the stay option and the rural people pretty well grasped the significance of what his maneuvering was about. It showed on October 11th and will continue to show. As long as the former Minister of Agriculture espouses his theories, I can assure you that the NDP and the socialist government will never pick up a seat in rural Manitoba.

This was one of the election promises of the Conservative party. As a matter of fact even the former Premier at one time during the election campaign more or less signified that there would have to be some revamping of the ideals and the First Minister came from a farm background. He has an idea of what inflation has done to the economy of rural Manitoba. We'd be just as happy if our land was worth what it was three years ago. We'd be just as happy if our farm machinery was worth what it was three or four years ago. We aren't certainly asking for an inflationary value on land. The cost of our produce certainly hasn't gone up since 1974-75. I would say it's down in many cases 40 percent, even 50 percent or higher. So to those people that are staying alive, it is certainly creating a hardship. But to those people that are dying, it was going to create and has created a little source of revenue to the government. They have had a very firm ideological stand on this that there was no way that they would at any time even consider — if it became politically expedient, then they would make their move. And this, Mr. Speaker, has boiled its way back down to the rural community. We don't feel that we're asking for anything that's unfair. And the former Minister of Agriculture has stated many times that it's only affecting one and a half percent of the population.

Well, I would like to have had him with any of us rural members who were campaigning during the election. At each meeting this question was asked by many people; possibly at each meeting you might get it four or five times. What are you going to do about succession duties? And of course it was one of the planks of our platform. We said that they would be abolished. They have been abolished and the legislation will be effective back to October 11th. This is one of the reasons that elections are held and why there are changes of government.

The previous government, of course, came forth with many programs. They didn't get themselves in too much problem financially, either, until the last fiscal year. And this again possibly, Mr. Speaker, during the period of 1974-75, I don't think there was ever a period when there was a higher income in the province of Manitoba. The farming economy was healthy. The federal grants were good. The business community was healthy. All of a sudden we find that there is a down turn and basically my honourable friends across the way can claim credit for some of it. Not all of it of course, but they can to a degree claim quite a lot of credit.

We now have the opportunity to put forth our ideas and one of the things that I say is going to happen is there will be no more worry as far as the succession duties goes in rural Manitoba and the loss of revenue here I don't think is going to be that great.

During the period when we were considering the farm protection bill last year, we had occasion to talk to many of the real estate agents who were dealing with the West Germans, the Italians and other foreign buyers. All of them told us that in most cases the capital was not staying in Manitoba; it was being transferred directly, mostly to Alberta. Here again, quoting figures with no verification for but word-of-mouth, they did quote a figure of \$100 million that had moved out of the province simply because farmers had sold their land, they had established residences out of the province and this money was no longer available for investment in the province.

I don't think, Mr. Speaker, that I have a great deal more to say on this bill. I'm sure now that it will be passed. It certainly is not going to create any undue hardship as far as the amount of money gone. It will mean a great piece of mind to the rural people of Manitoba and it will, as far as I'm concerned, go further towards the preservation of the family farms and keep them as viable units without interference from government. We don't really want that. We don't want to be in a position where the Member for Pembina stated the other day that supposing two deaths happened consecutively, in consecutive years, that you could find yourself in the position of selling and great hardship could be — as a matter of fact the business could be dissipated or have to be sold to pay the succession duties.

So with those few words, Mr. Speaker, I am sure that there are other speakers that want to speak, but to those that are so concerned on the other side — the worker, etc. — you're not losing that much money as far as taxation goes and consequently I don't think it is going to be any particular hardship as far as you as taxpayers go. If anybody makes a dollar, they're still paying income tax on it and basically removal of this is only to try and preserve not only the family farms but the small business as well. Thank you, Mr. Speaker.

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

**MR. D. JAMES WALDING:** Mr. Speaker, I beg to move, seconded by the honourable Member for Flin Flon, that debate be adjourned.

**MOTION presented and carried.**

**BILL (NO. 4) — AN ACT TO AMEND THE MINEL ACREAGE TAX ACT**

**MR. SPEAKER:** On Bill No. 4, the proposed motion of the Honourable Minister of Finance. The Honourable Member for Kildonan.

**MR. GREEN:** Mr. Speaker, the Honourable Member for Kildonan adjourned debate so that I would be able to speak.

**MR. SPEAKER:** Will it stand in the name of the . . .

**MR. GREEN:** No, I think it can come out of his . . .

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

**MR. GREEN:** Mr. Speaker, this bill is presented as the elimination of a nuisance tax and one which has caused a great deal of problems, particularly to farmers in the province of Manitoba.

In that respect, Mr. Speaker, it runs a parallel line in some respects to the Estate Tax Act because it is being suggested by members on the other side that farmers in the province of Manitoba are the ones who are paying the estate tax.

Well, Mr. Speaker, I believe that this is a fallacy, that this is not true, that this is the kind of approach that is often used when one deals with exemptions. I commend to honourable members a book called "The Rich and the Super-Rich" which is a book which deals with how exemptions are requested under tax proposals and they are always requested on the basis that they will accomplish something for the poor. The best example that I can remember in that regard, Mr. Speaker — and perhaps many of us fell prey to it — was the big petition that came here with regard to removing the sales tax on laundry. I think the honourable members were in government at the time, the honourable members opposite were in government, and huge sacks were brought in to indicate that sales tax should be removed on laundry and dry cleaning and the slogans were "A tax on cleanliness" and things of that nature.

Well, Mr. Speaker, I suppose that if the tax were removed, then the working or average income group or farm group in the province of Manitoba would save a few dollars on their laundry bills but they forget that there will be a great many more dollars saved by people who use laundry and drycleaning on a much more greater percentage basis than is used by the average working class family and when that money doesn't come in and the government continues to spend, the taxes have to be imposed. It is quite often that the imposition will be worked out much less equitably than has been the previous tax. "The Rich and the Super-Rich" is a book which deals with all of the exemptions that are claimed by people — and the Honourable Minister of Finance has introduced a beauty in this session — he has introduced a tax which I wish I was in the income group that it would save me \$500 a year. He says that he's going to give a reduction in income tax and the reduction in income tax will save an income earner in the neighbourhood of \$100,000 a year something like \$500 or \$600 — I don't know what the figures are — and will save an income earner in the field who is in the \$7,000 or \$8,000 or \$9,000 category very little, I would say \$10.00 or \$15.00, if that. They are hoping to get to this gentleman and say, "We've saved you \$10.00 or \$15.00." But that's not what occurred, Mr. Speaker. What has occurred is that there has been a redistribution of the tax load and that taxes or moneys collector moneys collected in other ways will work out much less equitably.

Now this particular removal, Mr. Speaker, is thrown up as something that will help the farmers, like the estate tax. I would say, Mr. Speaker, that of the \$5 million that would be collected in estate tax — and now I'm really estimating but my friend, the Minister of Industry and Commerce, has given me full sweep — if he can say a billion dollars, I can say that the amount that would be paid by farmers in estate taxes out of the 5 million, well I'm going to say a million. **SOME MEMBERS:** No, no.

**MR. GREEN:** No? Well, my friends are annoyed with me because I'm really going too high but if I say a million, I am being high and that is going to be paid by a few farmers. Mr. Speaker, not more than 20 farmers in the province of Manitoba and the honourable members say that this tax is hurting the

30,000 farmers in the province of Manitoba and that's the pitch that they make.

**MR. SPEAKER:** Order, order please. May I remind the Member for Inkster that we are talking on Bill No. 4, The Mineral Acreage Tax.

**MR. GREEN:** Mr. Speaker, I'm going to relate that exactly to the mineral acreage tax because I said that this second tax . . .

**A MEMBER:** It might take a while.

**MR. GREEN:** . . . this reduction — that's right — this reduction is based on the fact, Mr. Speaker, that farmers are the ones who are suffering by this tax. Now, Mr. Speaker, not one farmer who is farming is paying taxes in accordance with this bill on land on which he is farming. If he is, then somebody should help him. The Minister of Finance's department, I am sure, will tell that man that he is exempt and doesn't have to pay any mineral acreage tax, that the only people — and I hope I will be as exhaustive as I can — who are paying mineral acreage taxes are non-farmers who hold mineral rights in the province of Manitoba, people who used to be farmers and their land is either leased or being used by somebody else and they have retained the mineral rights, but no farmers are paying this tax.

So what will the effect of this tax be, the reduction in the tax which is said to be a nuisance tax? It will reduce the taxes of some huge corporations that hold a majority of the mineral taxes, Mr. Speaker, to the extent of some 150,000 out of the 300,000 that was collected, these huge corporations who suddenly will pay nothing for holding the mineral rights by the people of the province of Manitoba, as against Saskatchewan where they are paying it. My honourable friend, in an attempt to show that it's not corporations, says that there will be 13,000 individuals — I don't remember the figure but I think it's something like 13,000 individuals.

But, Mr. Speaker, you know, there's no difference between individuals and corporations in terms of them paying the tax. The fact is that the individuals who are paying it may be people who are holding mineral rights, they could be held by trust companies or by other organizations or by other individuals who happen to have purchased mineral rights. I, personally, am aware of individuals who have nothing to do with the farm community who hold mineral rights and they are holding them and they are now paying what everybody else pays on every other piece of property which they hold, they are paying a tax on it.

Now the honourable members say that this is a socialist attempt to expropriate all mineral rights without compensation, that the real purpose of the bill — Mr. Speaker, they have inferred this — that the real purpose of the bill is to levy a tax on minerals, that the man will not want to pay it and the property will be sent back to the Crown. As a matter of fact, the Minister of Finance said that this is the worst result of the mineral acreage tax, that all kinds of people are going to have to give their minerals

for nothing to the Crown and that this is a diabolical plot on the part of the New Democrats to get Crown-owned minerals.

**A MEMBER:** Right.

**MR. GREEN:** Well, right, Mr. Speaker, that's right. I'll tell you, Mr. Speaker, there was a conspiracy of that kind, it did take place, it was successful, it was not done by a New Democratic Party government, it was done by a Conservative government. When I say Conservative, it was done by a progressive government, it was done by a government other than New Democrat. Mr. Speaker, it may be a shock to members in this Chamber that since about 1890 no citizen who got title from the Crown, from the government of Canada, had mineral rights included because that government decided that all of the mineral rights belonged to the public of the province of Manitoba and no titles were issued with mineral rights and no title issued by the province of Manitoba since 1930 where Crown land was given to an individual contained mineral rights. The government decided that they would expropriate, without compensation, all mineral rights of any person who was to get land because everybody previously got them and retain them for the Crown. That was the conspiracy. It was done successfully and by virtue of that, Mr. Speaker, a great majority — well, that might be an exaggeration — a good number of Manitoba citizens who hold title never had mineral rights, do not now have mineral rights, had those mineral rights taken away from them and not by a New Democratic party government but by a government that said the mineral rights belong to the people, we are going to keep them and we are not going to give them to any individual farmer. It wasn't Bolsheviks who did that, it was people of the same political stripe as my honourable friends. So when they say that this is an attempt to expropriate mineral rights, Mr. Speaker, it is an attempt to provide equity. No citizen in the province of Manitoba can hold any interest in land without paying a rent to the Crown. There is no such thing, as we indicated last year, as ultimate private property and land. Every person who has a title is required to pay a rent. He pays it either through a municipal tax . . . but he pays for the holding of property which he holds from the Crown to the exclusion of all other citizens. In other words, some citizen in Manitoba is given a mineral rights and a piece of property in Virden, he is given that to the exclusion of all other citizens even though it is public lands and he says, "I will not pay anything for this exclusive privilege."

Now, Mr. Speaker, that's the main feature of this legislation and that's why I call it, Mr. Speaker, Article 3 of the Declaration of Dependence issued by the Conservative Party when the throne speech

was read some two weeks ago, because members opposite say we have to retain the goodwill of these people. They are a very small minority of people. In large part, the tax is paid by corporations. No farmers who are farming their land pay it and the honourable member indicated that to us. He said that the problem was, Mr. Speaker, they had to file an exemption which indicates that they don't pay it and if they pay it, they shouldn't pay it; they are exempt from payment of tax on any lands that they farm which hold mineral rights. Many, Mr. Speaker, don't even know about it. I would say — I'm not certain — but I would think that the majority of farmers in the constituency of Swan River — I wonder if the First Minister will help me out — that the majority of farmers in the constituency of Swan River do not own their mineral rights. They don't even know that there is such a tax because they never hear about it. The majority, very few, pay it. I know that the Member for St. George told me that no farmers in his area, or very few again, know anything about these mineral rights but there is a certain select group who, through an accident, happen to have lands, title to which was issued before 1930, who are holding mineral rights, are not farming, are not doing anything with them, and insist that they have the right to hold that to the exclusion of everybody else and with a privilege which nobody else has without paying a tax.

Well, Mr. Speaker, I don't know why the honourable members are doing this except to do what the Minister of Health and Social Welfare said, "It's a matter of psychology." It's a matter of demonstrating to these people that this government, even though it makes no sense at all is going to see to it that they have their privileged position and that it won't be upset.

Now, Mr. Speaker, some of my honourable friends in talking to this issue, I think it was the Member for Swan River, said, "What harm is there if this farmer has this gravel, why are you trying to take it away from him?" I think it was him, perhaps I'm wrong but somebody over there talked about it

being a small matter that this farmer had gravel and we were trying to take it away from him. Mr. Speaker, he's suggesting that there is a sort of a conspiracy on this side to take away gravel rights that belong to farmers. Mr. Speaker, there was a conspiracy. The conspiracy was entered into by the ministers who occupied the front benches of the Conservative government in 1967 and the conspiracy was written into the law under the Crown Lands Act and that law said, Mr. Speaker, where mines and minerals have been or are reserved out of the disposition of lands made under this Act or under the Provincial Lands Act, after the 15th day of July, 1930, which indicates that everything was reserved after that date, the reservation — and listen to this, listen to those who talk about expropriation by compensation' who talk about retroactive legislation, who talk about dispossessing people, by law, by the authority of law, little people who have gravel on their land, "the reservation shall be conclusively deemed to include and always to have included a reservation of sand and gravel." Do the honourable members know what that means because we asked in the House what it means. We asked why is this Act necessary? And the answer that we got was, "Well, there is now some argument as to whether sand and gravel belongs to the Crown or belongs to the individual little farmer." — who those people say they are trying to protect. We say it belongs to us. That is, the Conservative administration said that it belonged to the people generally, belonged to the Crown, and there are some who are asserting it belongs to them. "Rather than take a chance of having this matter decided in a court, we want to pass a law that says it belongs to the government." That terrible word that members opposite often refer to.

Mr. Speaker, what would happen if the New Democratic Party brought in a piece of legislation of this kind. It would be accused of Bolshevism; it would be accused of Fascism; it would be accused of dispossessing the farmer; of going after the gravel of the little guy but, Mr. Speaker, I ask honourable members to look at it. We ask, if it belongs to the Crown, why do you need a statute? They said, "Well, yes it does belong to us but some people may sue and we might not win and therefore rather than let that happen, we're going to expropriate all gravel on lands which have a mineral right reserved and we're going to say it belongs to the Crown before some judge says that it doesn't."

And where did that advice come from, Mr. Speaker? Well, we asked Mr. Gurney Evans why he was doing this, why he was legislating away the potential gravel rights of the little farmers in the province of Manitoba and here's his answer. "I think there's a hypothetical doubt. There's no doubt in my mind; there's no doubt in any of the officials minds of the Department of Lands Branch." If there's no doubt, why did they legislate?

This is brought forward, as I understand it, for technical reasons — yes, very technical — to make sure that those farmers couldn't make a claim to those mineral rights and my honourable friend, the Attorney-General gave me this very useful phrase: "Out of an abundance of caution." Who was the Attorney-General of the province of Manitoba?

**A MEMBER:** Not me.

**MR. GREEN:** No, it sure wasn't. Do you want to guess who it was? The Attorney-General was the present First Minister who talks about governments expropriating private rights, who talks about dispossessing' who talks about private ownership in land, who talks about protecting the little man. But, Mr. Speaker, when there was a doubt as to whether gravel was owned by the individual farmer or owned by the Crown, the Attorney-General said, "Out of an abundance of caution and because we don't want any chance of losing in court, we will legislate not for the future," — listen to the terms of the legislation — "the reservation shall be conclusively deemed to include and always to have included a reservation of sand and gravel." Now that's interesting, Mr. Speaker, in terms of the present legislation that's being brought forth. The mineral rights of the province of Manitoba belong to the people of the province of Manitoba by error or by inadvertence or by previous wrong

practice, recognized as wrong by every subsequent government, some mineral rights were transferred to private individuals. When there was doubt in a Conservative administration's mind as to whether they properly reserved the gravel, they didn't both bother saying, "We will let this be decided and if a farmer now owns his gravel, we will pay him for it, we will compensate him for it." No. They said, "We will expropriate but without compensation every ounce of gravel and sand that now may be the property of an individual farmer in the province of Manitoba." I tell that to the Member for Swan River who said that here is a government who's worried about an individual farmer having a little bit of gravel.

They expropriated; there was a conspiracy in the kind of venacular that is used by my honourable friends and they used government power to see to it that every ounce of sand and gravel belonged to the people of the province of Manitoba. Every government, Mr. Speaker, since 1930 has agreed and has gone to great lengths to protect the mineral rights of the people of the province of Manitoba. But that some of them, because of historical transfers of title, are held by private people. And we are not saying we will expropriate them. No. We are saying that there isn't any kind of real property in the province of Manitoba that is held without payment of a tax. If a person, individual, wishes to hold as his own to the exclusion of all other people in the province of Manitoba a portion of real property, which mineral rights are included, — I tell that to my honourable friend, the Minister of Finance — he pays a tax. —(Interjection)— Pardon me?

**A MEMBER:** For services.

**MR. GREEN:** Mr. Speaker, there are some pieces of property which are held in the province of Manitoba for which no services are given and which they pay taxes for.

**A MEMBER:** That's right.

**MR. GREEN:** As a matter of fact, I know of no place where property is in a municipality — perhaps the Minister of Finance can correct me — but I know of no place where they do not either pay a tax or a permit fee or something for the holding of property to the exclusion for themselves to the exclusion of all others but this one area, Mr. Speaker, which the government of Alberta had the sense to legislate — and by the way we were the third — B.C. did it; Alberta did it; Saskatchewan did it and then Manitoba did it. And if it's not enough money, if it's not enough money, the amount can be raised because 10 cents an acre is not enough, you can make it 50 cents an acre and it won't be farmers who will suffer. It will be people holding those mineral rights and I know many individuals who hold them, here in the City, who hold them in Western Manitoba waiting for the day that perhaps there will be a discovery and if they want to we tell them the same as the mining companies, if you want to hold rights to the exclusion of other citizens of lands in the province of Manitoba, you shall pay a tax.

The Honourable Minister of Finance says no. Article 3 of the Declaration of Dependence of the people of Manitoba to individuals who now hold privileged positions shall be moved on first reading, moved on second reading and ratified. What we will do, Mr. Speaker, is to indicate to the people of the province just what is happening, just what is happening, hoping that out of ten people in a room, one of them who previously thought that farmers pay mineral taxes or that somehow this was an unfair imposition on oil companies, on the Hudson Bay Company, on the railroads, who hold mineral rights in the province of Manitoba which are really an accident because recent titles do not contain them, that the Conservative administration felt that in order to survive, it had to maintain this privilege. I hope that one person in ten, Mr. Speaker, will decide —(Interjection)— that's not what we expected. We had some notion, perhaps it wasn't well enough explained that the farmers were paying mineral taxes on land that they were farming and that this was a new imposition and that every farmer had these mineral rights and all of a sudden the government went in and paid taxes. Not that a minority of them had them and not that it wasn't paid by anybody who was a farmer, we intend to explain that. We intend to explain it to the farmers; we intend to explain that by eliminating this tax — each farmer will pay a very small amount it's true — but a small amount of additional taxes which he would not have had to pay —(Interjection)— Yes, we should have — and I want to tell the honourable member that I've been around here just slightly longer than him and perhaps I shouldn't be pulling rank and giving gratuitous advice but I think the honourable member said yesterday, or if he didn't then perhaps it was his seat mate. He's here for the first time and he said, "If we tried to do this we would be wasting our time on useless debate in the legislature." You don't have to waste your time on useless debate; you don't have to come here. Really you do not have to be in your seat until you vote and then you vote for what you are told and forget it. We don't think the debate is useless and we intend to explain and we intend to try to make our points which perhaps were not made in the last election but there is always another election coming, unless you intend to bring in a bill cancelling elections. So don't sit secure that these positions are not going to be fought throughout the province of Manitoba.

**MR. SPEAKER:** On the proposed motion of the honourable Minister of Finance, the Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Speaker, I move, seconded by the Honourable the Member for Brandon East that the debate be adjourned.

**MOTION presented and carried.**

**BILL NO. 5 — FAMILY LAW**

**MR. SPEAKER:** Bill No. 5. On the proposed motion of the Honourable Attorney-General, the Honourable Member for Logan has 18 minutes left.

**MR. WILLIAM JENKINS:** Thank you, Mr. Speaker. It seems to be my lot these days to make two speeches on the same topic because I seem to be running out of time on the clock. So if I am a bit repetitive in picking up the debate, I hope that you will bear with me on that point, Sir.

When we broke for the supper hour last night, I was asking through the medium of debate in this House honourable members opposite, especially the new members — we know what the stance is of the former opposition members who are now the government who were on this side of the House when this bill was debated and when it was voted on. We have a pretty good idea where the Honourable Member for St. James stands and the Honourable Minister of Tourism and Recreation but we don't have any idea about the Honourable Member for Souris-Killarney who wasn't in this House. He, to my knowledge, has never taken part in a debate in this House yet and I am looking forward to hearing from him. I'm looking forward to hearing from other honourable members over there who are new members to this Chamber.

As my colleague the Honourable Member for Inkster said, and I believe yesterday the Honourable Member for Pembina said that we didn't believe in useless debate in this House or the debate that was taking place in this House was useless. But, you know, Mr. Speaker, when we were discussing yesterday the Succession Duties and Gift Tax Act, all of a sudden, all of a sudden, the Honourable Member for Pembina certainly had a lot to say. He certainly had opinion. Surely he has some opinions on this family law. But we haven't heard them. We heard from the honourable member when he introduced the motion and address to the reply to the Speech from the Throne that he felt that the contributions of wives and families of the farm community were considerable. Well, Mr. Speaker, I wish he would get up in this House and say that he believes in some of these things that were instituted in the legislation that was passed last June. Or is he just giving lip service for the benefit of his constituents? Does he really believe that the family farms can be jointly owned by the spouse?

Mr. Speaker, I'm speaking now especially to the new members on that side of the House, especially to the new members since many of them come from farming communities and since this type of legislation is set up to protect those people. Does the Honourable Member for Pembina or other rural members, depending upon the circumstances of a farm 1. Can the family home therefore be jointly owned by a couple or, 2. can it be a commercial asset and therefore owned only by one spouse and not shareable unless there is a separation or, 3. can it be both a family home and a commercial asset? What are your opinions on that? We haven't heard a thing from you. All we've heard is the breeding qualities from the Bantam rooster that leads the Tory barnyard over there. That's all we've heard. The Bantam rooster of the Tory barnyard. That's all we've heard.

Also, we would like to know, Mr. Speaker — dealing with the farm. If this farm was bought during the marriage or with marriage in mind and the couple have their home on it that this half section, the 320 acres on which the house is located will be jointly owned by the couple. Do you believe in that? I haven't heard one of you say anything. I would like to hear you; I think that's what the whole process of parliament is about. It means to speak. And if it is larger, what are your opinions there? If it is larger upon separation, if it is over 320 acres, are you prepared to see it shared on separation? We've never heard, never heard from the new members.

Also, during the debate and during the hearings, there was talk about squandering of assets. What is the belief of the honourable members opposite on the squandering of assets by one spouse or the other? I think it was pointed out quite clear to the committees during the intercessional hearings and during the hearings on the bills when they were before the Committee of Statutory Regulations. You know even when a couple haven't separated one spouse may be deciding that he's going to get even with the other one or vice-versa and they could squander or dissipate an asset. Do you believe then that the other spouse has the right to make an application to the court within two years to become half owner of that commercial asset or do you think that she should wait until he has squandered and dissipated everything so that there will be nothing left for her or him, whatever the case may be.

And in family maintenance, do you believe in the no fault principle? Do you believe that wives should be battered and bruised and neglected and that if they can't stand it any more and they leave the family marital home that they are not entitled to any maintenance? Is that what you believe in? Get up and say so, let's hear you. At least, under the new legislation, if the position becomes untenable, she can leave the marital home and apply for interim maintenance. That is what you're doing with your delaying of this Act. You're perpetuating a very sad situation, a tragic situation for the wife in many cases and the children, their only means of support is the husband. He abuses her and if you don't think that he abuses her, you should have listened to some of the women that came and they came voluntarily, we didn't subpoena them. We didn't put them under oath. Perhaps Mr. Houston would have wanted us to do that. But we believed them.

I say, Mr. Speaker, we know what the position of the former members of the opposition party who are back here in this House was on family maintenance. They voted against it to a man. Family maintenance. Everyone voted against it and that, I say, is the most despicable thing that they've done.

**A MEMBER:** There's more to come.

**MR. JENKINS:** And there's more to come probably as my honourable friend said. At least on the sharing of family assets, five of them did get up and say that they would support the legislation and did support the legislation. But on family maintenance no, absolutely not. And I think sometime or another before this debate ends that the new members . . . And that includes the new Cabinet Ministers who were just newly elected, and it includes the Minister of Labour. It also includes the Member for Pembina, who was so charitable toward farm wives and their families to get up and make his position clear in this House that they want to see more Murdoch cases and more Kowalchuck cases. We haven't heard. We haven't heard a word but I'll tell you, Mr. Speaker, when it is something that they have promised within the election campaign — to abolish gift tax, succession duties, mineral acreage tax — they have lots to say.

I'm not saying that they haven't the right because they have more members over there than we have over here. We know what you're going to do with the bill. We have heard where the bill is going to go; it's going to go to Law Amendments Committee.

I would like to hear a pledge from the First Minister, and also from the Honourable Attorney-General, a statement of principles, so that when we go out to hear public representations from the interested public that we know and they know exactly where they stand. Thank you, Mr. Speaker.

**MR. SPEAKER:** Is it the pleasure of the House to leave this standing in the name of the Honourable Member for Inkster? (Agreed)

#### **BILL NO. 6 — AN ACT TO AMEND THE EMPLOYMENT STANDARDS ACT**

**MR. SPEAKER:** We then go on to (Bill No. 6), an Act to amend The Employment Standards Act. The Honourable Member for Flin Flon.

**MR. TOM BARROW:** Mr. Speaker, I adjourned this for my colleague from Brandon East.

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

**MR. EVANS:** Thank you very much, Mr. Speaker. I'd just like to add a few words to the debate that has taken place thus far on this particular legislation which, among other things, — Bill (No. 6), an Act to amend The Employment Standards Act (Overtime Rate of Wages) — essentially abolishes, or will abolish, the one and three-quarter time provision, which we had made in the last session or in the last legislature. The Honourable Minister of Health and Social Development, yesterday I believe it was or perhaps the day before, made a very impassioned speech regarding some of the points that we had been making in this debate on this particular piece of legislation, ranging very widely over a number of areas of labour law and indeed dealing with matters such as state intervention in the lives of people, and making very wild accusations, in my view, that this government or the previous government and the New Democratic Party believed in state intervention, but that his party and his government did not believe in state intervention.

Well, Mr. Speaker, I'd like to have that same wide-ranging latitude that the honourable minister had in debating this, again talking about the bill essentially and the principle of the bill, but relating to it some other matters in the field of labour relations and labour legislation.

One comment that I couldn't help but note. . . . And incidentally, Mr. Speaker, I'm very surprised that we're dealing with a piece of legislation in the field of labour and the Minister of Labour is not present in this House. I think that that is an affront to the House. Now, I understand that we move along rather rapidly at times, and rather slowly at times. But it seems to me, out of courtesy, that the Minister of Labour, or whichever minister is involved in a particular piece of legislation, should be present. They don't have to be present, she does not have to be present but I think . . . — (Interjection) — Well I think, Mr. Speaker, if the honourable member has any speeches to make I suggest that I'd love to hear him get up on his feet and make a speech. I always enjoy listening to the honourable minister.

At any rate, even though the Minister of Labour is not here, I would like to reply to a couple of points made by the Minister of Health and Social Development, who as I said made a number of points the other day, because I know he has a great interest in this particular field of government or of legislation — that is, labour relations — and he made a number of statements, one of which was that here we were passing a piece of legislation for which there had been no petitions, for which there had been no great representation by the labour movement or by employees, or by unions, or by other representatives of labour.

But I'd like to point out to the honourable members of the House, and hopefully to the Minister of Health and the Minister of Labour, when they read Hansard — if they ever do — that in most cases where we are dealing with The Employment Standards Act we are dealing essentially with those people who are in the unorganized sector of the working force. Those people, many of whom are young people, many of whom are female, many of whom work for various small enterprises, simply do not have the means, simply do not have the wherewithal to make representation to government whenever there is an amendment to labour legislation. And it is very unusual for that unorganized

sector, if you will, to be represented in committees, or be represented in any way, shape or form by means of a petition or submission to the government of the day or to the legislature regarding labour matters.

Of course this bill and the thrust of the bill to eliminate overtime, or any measure that is dealt with in terms of employment standards, it is not unusual that representation is not received, because we're dealing with the segment of the workforce that is unorganized, and it is understandable that no representation is received, or quite often is not received. I don't know what the history is in this legislature over the decades when the legislature has been dealing with employment standards, what the record is of representation from that group which this Employment Standards Act applies to.

Ideally, if we had a more perfect situation in the labour market, if you will, where there was more equal positioning in terms of collective bargaining between employer and employee, you would need no labour standard or no minimum employment standards as is embodied in this particular Act. This particular Act, as I understand it, and it goes back through the years in attempts by government to provide minimum standards, is historic not only in this province but in other provinces — minimum standards for the unorganized sector. But ideally it would be good if we did not have to legislate any minimum standard. Ideally it would be much better if the employee and employer were in a position that they could bargain collectively in order to achieve whatever was a satisfactory solution to both employer and employee with regard to wages, working conditions, fringe benefits, and so on.

In other words what I'm saying, Mr. Speaker, is I believe in a pure *laissez-faire* approach, if that were possible in labour relations, a free collective bargaining approach, and I think that has been the approach of the New Democratic Party historically in government and certainly in opposition. I say that ideally we'd prefer to have to legislate no minimum standards. Ideally it would be best if *laissez-faire* situation prevailed entirely so that there would be freedom of collective bargaining between employer and employee. But there are in our province a great number of people who are not in a position to bargain with their employer and hence the Labour Standards Act or Employment Standards Act. And as I said, this is an historic piece of legislation, or type of legislation, and it has been recognized by parties years gone by that there is some need to provide some minimum standards.

The argument, I believe, for one and three-quarter payment of overtime was put forth well by the previous Minister of Labour, who is no longer a member of this House, who is now in his retirement years. When he introduced the bill he stated very clearly that overtime should not be encouraged, for a number of reasons. And one way, of course, to discourage overtime — at least in terms of the employer in his approach to overtime — is to have to cause that employer to have to pay more than time and a half, to pay one and three-quarter or whatever higher ratio.

The minister, in introducing this legislation to the House, indicated that by discouraging overtime we could look perhaps toward fewer accidents in the workplace. In other words, there is a greater propensity for accidents to occur among people who are working extra hours, or excessive hours in the week or during the day. And so by discouraging overtime it is possible that you might have a beneficial impact on the incidence of accidents in the workplace.

Similarly, the former minister in introducing the legislation pointed out that certain social and family problems can and do arise in situations where the working person of the household has to put in a considerable amount of overtime and hence is away from the family more hours, is away from the home to a greater extent. And therefore, again, if by discouraging excessive overtime we could possibly be adding to the social fabric of the province; we could be enhancing the family situation rather than what could happen if the reverse was the case where a lot of overtime, the working person being away from the home causing a deterioration in family relationships.

Of course the other argument that was used is that overtime rates at one and three-quarter could enhance employment in the province. It makes it more attractive to hire other employees if you have to pay a higher rate on overtime. So it could therefore also contribute to the employment situation in the province.

It is obvious from the questions and the answers and the dialogue that has occurred in this House, and it is as obvious from reports in the media today and from the statistics we obtained from Ottawa, the number one economic problem facing Manitoba is the unemployment situation. And in some way this bill could contribute — albeit indirectly, but it could contribute — to alleviating that unemployment situation and if it does nothing else but help alleviate the unemployment situation then one and three-quarter overtime is worth maintaining.

Bill 65 was the number of the bill which the previous Minister of Labour had brought into the House and which was subsequently passed. As I said, the main purpose of Bill 65 was to discourage overtime by making it more costly for the employer. And also reference was made in the introduction of this bill that one and three-quarter was justifiable for this particular segment of the workforce because this particular segment did not have the same fringe benefits that often accrue to people in the organized sector, where there are labour unions dealing with employers. So to some extent at least the one and three-quarter — the increase from the one and a half rate to one and three-quarter rate — could make up for some of the fringe benefits that many of the people do not receive in the unorganized sector. So this is still another reason given by the government — by our government, by the NDP government, by the Minister of Labour at the time — for the introduction of the bill. And I think that these arguments still stand. These arguments are valid arguments for this government to want to withdraw Bill 6 and in effect turn the clock back.

Well, Mr. Speaker, the Honourable Minister of Health went on to a number of matters that I'd like to deal with but I guess better after lunch.

**Wednesday, December 7, 1977**

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**MR. SPEAKER:** Order please. The honourable member will have an opportunity at a later date to complete his remarks. The hour being 12:30, the House is adjourned and stands adjourned until 2:30 this afternoon.