



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

26 Elizabeth II

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



Vol. XXV No. 7B

8:00 p.m. Wednesday, November 30, 1977

THE LEGISLATIVE ASSEMBLY of MANITOBA

Wednesday, November 30, 1977

Time: 8:00 p.m.

MR. SPEAKER: The adjourned debate on Bill No. 2, the Honourable . . .

MR. JORGENSON: Mr. Speaker, Bill No. 2 has been adjourned for the day, you have to proceed to Bill No. 3.

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

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance, Bill No. 3, an Act to amend The Gift Tax Act (Manitoba), and The Succession Duty Act Manitoba the Honourable Member for point Douglas.

MR. MALINOWSKI: I stand, Mr. Speaker —(Interjection)— Oh, does anyone want to speak? Mr. Speaker, if this is the case, I adjourn this for the Honourable Leader of the Opposition.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, as I was about to rise, I heard some honourable gentlemen opposite say "Not again." —(Interjection)— In fact, Mr. Speaker, I believe that the record will show that I have not spoken on this bill, and if I had and were to attempt to do so now, I would be, as you would certainly point out, not in order.

Mr. Speaker, it is, I think, important to put on the record some observations with respect to the context in which we are being asked in this assembly to agree to the repeal, the revocation of the Succession Duty and Gift Tax Act. I know full well what the reasoning and arguments are, as expressed by the honourable gentlemen opposite; I've heard them over the course of the past five, six years, and again in the last few days. It is not as though we are arguing in isolation, of course, from what is happening in other jurisdictions in our country, and I know indeed that it is one of the strong arguments that honourable my honourable friends opposite want to use, namely that because other provinces have agreed to and seen fit to remove the succession duties tax that we must be forced to do the same thing here.

We welcome the opportunity to touch on that, and since we have not been speaking in isolation, to go a little further afield, and look at what is the practice in other countries of the free western world. One finds that in fact in most, if not all countries of the free western world, that these succession duties tax or estates tax, which is merely a variation of the same thing, is a very important part of fiscal revenues and also a very important part of fiscal, indeed more than simply fiscal, equitability in those countries.

The Honourable Member for Lakeside, the Minister of Public Works, the other day tried to leave the impression that to remove the estates tax was an act of political courage. Mr. Speaker, Sir, if there has ever been a commentary that is perverse, it is to suggest that it takes political courage to reduce taxes, particularly at a point in time when if my honourable friends are right, there seems to be some distress with the revenues adhering to the treasury of this or any other jurisdiction. Indeed the very opposite would be true.

But for the moment, I leave that aside and take this opportunity to acquaint some of the honourable members opposite who weren't here four years ago, eight years ago, ten years ago, and they may find it interesting to note that Conservatives of another era, strange as it may sound, although ten, twelve years ago, more progressive in comparison to what we seem to be witnessing unfold before our very eyes in the past few weeks, never saw fit to argue that the removal of the estates tax was inherently good in and of itself. But we have been hearing intonations of that from honourable gentlemen here opposite in the last few days and weeks. It is, to my mind, a matter of great sadness that we should be witnessing that kind of retrogressive and reactionary philosophy. If they wish to argue it is unfortunate but necessary because of X reasons, that would be one thing. But to have it argued that it is both necessary because of inter-provincial competitiveness, and also have them hint that it is good in and of itself, is just, there's no other way to put it Sir, unfortunate; insofar as the well-being of the majority of our citizens are concerned, unfortunate in so far as the stability of our province's economy and fiscal resources are concerned, and in the long run, it is bound to create more, not less, social disharmony.

I don't know if my honourable friends realize that in the United States of America, which is not a country which is governed by classic socialist principles, I shouldn't think, at least I wouldn't have thought so; but they are by degree and by progression, gradually over years working towards more equality of the human conditions there. They, Sir, do have a succession duties or estates tax. They have had it for some time, and it is not a case as the Minister of Public Works would have us believe, that the one is dropped if a capital gains tax is in place then there is no need for an estates tax, or conversely. Indeed, in the United States of America, there is in place both the capital gains tax for decades now, and a succession duty or estates tax for quite some many years.

But here in Canada, we witnessed an unfortunate chain of events take place, and perhaps I can set the stage for putting this in historical perspective by quoting from directly now instead of paraphrasing,

from an address in this House by the last Conservative Minister of Finance, the Honourable Gurney Evans, in which he said, and I quote: "The Government of Manitoba does not believe that it is the best policy to use estate tax, revenues, the thereof, as incentives for retaining or attracting investment capital in inter-provincial competition. However, it is clear that we cannot leave our citizens in a position of disadvantage, when we have the capacity to change that position by taking action comparable to that taken in other provinces." But, Mr. Speaker, which other provinces? Because at that point in time, there was an indication by far the greater number of provinces that they wished to retain the estates or the succession duties tax, presumably for reasons of revenue, because the revenue is of some several millions of dollars the case of Ontario, some several tens of millions of dollars, and also for reasons of taxation equitability. Well, it would be far better to return to quotation, Mr. Speaker, it would be far better in the view of this government referring to the last Conservative government to leave the taxation of estates entirely in federal hands return for compensation for the provincial treasury in the form of increased income tax allocation to the provinces. In these circumstances, estate taxation could be adjusted for uniform equity across the nation. The competition for economic advantage among the provinces could thus be avoided. It does not seem responsible to have one large bureaucracy collect the tax at the federal level and then to hire more civil servants at the provincial level to give the money back to the same taxpayer. Mr. Speaker, one could wish that. I wonder if we will today, tomorrow, next year, or at any point in time in the next four years, hear any of the spokesmen for the present Conservative government ever express that kind of view namely that, ideally speaking, ideally speaking, there ought to be in our country, an estates or succession duties tax. It was stated then it will be increasingly important to see whether that will be stated again in the future. Certainly insofar as we are concerned on this side, we have no difficulty whatsoever, we need not pause for even one moment of equivocation, or hesitation to say that ideally speaking, and not unrealistically, but nevertheless I have to admit hopefully speaking, there ought to be in Canada, comparable succession duties taxation to that which exists in most, if indeed not all, countries of the free western world.

My honourable friends should not have the idea that the succession duties taxation, such as it exists in the United States, is of some nominal value. It is, I believe, running at about 33 percent at the \$250,000 mark. And by the way, it is interesting to note, too, that the exemption threshold is indeed far lower, not higher but lower, than is the case in those provinces in Canada which did retain the succession duties up until now, and those still retaining it in other places in Canada, even after what is happening here.

Indeed, it is also important, for information's sake, to take note of the fact that in the United States the succession duties run, as I mentioned, in the 30 percentile of taxation on estates of \$250,000 or thereabouts, and running to as high as 77 percent in the \$2 million plus area. I am not necessarily suggesting that kind — of course it would be completely non-productive on my part to suggest even a smidgen of that to my honourable friends opposite, because I believe that what they are proposing here, they are doing, not only for reasons of interprovincial competitiveness, even though a former colleague of theirs decried that kind of eventuality, but they are doing it because, many of them believe that social consequences and social disharmony notwithstanding, that it is somehow philosophically right.

So there we have it, Sir. It is very much a case of the twain being quite far apart, and despite the poet's hope, probably never meeting.

As I try to put myself in their shoes to understand why they would be taking this kind of action, I believe, to give them the benefit of the doubt in terms of motivation, that they believe that this, in companion with other fiscal measures that they have already mooted about, will have the consequence of resulting in greater surplus funds available to those who are in positions of investment decision-making. Were it not for the fact that we have had, I should have thought, many decades of experience in knowing that it is not prudent to place all one's eggs in one basket, including the area of political and economic policy, they are putting all of their eggs in the basket, hoping that this kind of incentive, quite apart from the equitability aspects of it, will result in increased surplus investable funds being available, which will, in accordance with the blueprint — (Interjection) — oh, they say they're not theoreticians, but they are, unbeknownst to themselves, theoreticians, that the theory of the blueprint will unfold as it should. That these surplus investable funds will all be re-invested back into our rather local economy and thereby create jobs and better living standards. But for whom, Sir, better living standards? That is another moot point.

We've had some indication already from the Minister of Public Works. They feel that much will happen as a result of the abolition of this tax, social consequences be hanged. That much will flow from the proposed reduction in the personal income tax, even though we have already had one commentator on public media television indicate that the tax amounts, to a family of the average industrial wage, to about enough pennies to buy a package of radishes a week. I believe that was what he indicated. Well, that's just an interesting aside, Mr. Speaker.

I come back now to the really gut issue and that is that according to the Minister of Public Works and others who think like him, that we will have impressive job creation performance. Well, unless they are proposing to disassociate themselves completely from the Conservative administration that did govern this province in the decade of the Sixties — and it will be interesting to see whether they will gradually try to disassociate — we find that that in that decade when presumably they did govern in accordance with those principles, we find that the rate of job creation was in the extreme low and unimpressive. I calculate that in the last five years, the last five full years of Conservative administration, that there were in the order of 27,000 to 28,000 jobs added to the total labour force of our province and I believe it is correct to say — I wish to stand corrected if I am wrong by more than a margin of error of two percent or whatever — that the jobs created in the decade of the Seventies is in the order of 52,000 to 55,000 or

almost perfectly twice as much.

Now I know they will say in a half bantering way but hoping to be taken seriously by those who listen that all that was created by socialist job creation through government. My calculations, Sir, tell me that of the increment of 55,000 jobs created in the decade of the Seventies, that indeed 90 percent of the employment in our total labour force is outside of the provincial public sector entirely. So it is not as though we worked with undue haste and without a sense of proportion and with complete disequilibrium to bring about a socialization of the means of production distribution in our province. I would have thought that a ratio of 10 percent provincial public sector, 90 percent other in terms of the total employment of our province was in no way an injudicious mixture or combination of public and private sector. But they feel that by putting more reliance on the private sector, and in order to give them the necessary incentive for the private sector to become hyperactive in job creation, hyperactive in order to overcome some of the natural geographic and other natural disadvantages of our particular location, and geology and so on, that they must provide hyperincentives to bring about this hyperactivity of job creation by the private sector. A classic case of overdependence, putting too many if not all eggs in one basket.

Well, my honourable friends will have to ignore the teachings of history and recent history at that. If in the 1960s we had a combination of circumstances at a time when presumably there was all kinds of philosophic willingness to provide incentives to the private sector, we in Manitoba witnessed the creation of 27,000 jobs, in that order. I know they will say, "Ah, but you know, the rate of unemployment was kept fairly low," but in fact, Mr. Speaker, and it doesn't take any great amount of persistent research to ascertain this, that the rate of out migration from our province, particularly on the part of young people, but so as not to quibble the rate of net out migration from Manitoba in the decade of the Sixties was perhaps the most substantial of any decade in this province's history. Certainly at a rate of about 5,000 persons per year more, more out — and migration in the Sixties than has been the case in the 1970s this is on an — annualized basis so that over a five year period there were 25,000 persons more leaving than is the case in this decade.

Well, one would think that these kinds of undeniable facts would have impressed themselves sufficiently by now, and especially on the part of those who are older in that administration, to know from direct experience that it is indeed running a risk, a risk that they are creating by their own dogmatic adherence to a political approach that is somehow more — it would have been out of date even in the 1960s and as a consequence I don't think was adhered slavishly even by Conservatives in those years. Certainly it is hardly appropriate as we head into the 1980s.

I want to say with all the emphasis I can muster that of course perhaps there is fault from time to time that lies with all those involved in the political process. There are those who feel very strongly, as indeed they should and for which I respect them, that it is necessary to do whatever is humanly possible to minimize levels of unemployment. But of course with that desire which can be achieved to better effect and has been the case in many years in the past, there is, however, a very difficult companion premise to accept and that is that the more that is attempted to be done by private and public sector in whatever combination, that brings us closer and closer to full employment, that there is a proportionate increase in the potential dangers of inflation and indeed the act of inflation itself. Therefore, there is need to accept policies of a rational, man-made nature — unless one wants to leave it to the free hand, the marketplace, but that is a contradiction in terms — to bring in policies of rational restraint. But that is not accepted either so we go on *ad nauseum* one side blaming the hiccups, some of them serious hiccups that take place — dislocations I should say more properly — in our economy, entirely at the door of prophets. There are those who lay it at the doorstep of wages and so it goes *ad nauseum* from one year until the next, from one administration to the next and so on and so forth.

I know that there are those who have less concern about unemployment, who have a predominant concern about inflation and who are therefore willing, and because philosophically it does not coincide with their thinking either to utilize the instrumentality of government on behalf of society to attempt to rationally intervene and restrain, to therefore leave it to natural, sort of economic natural phenomena if there is such a thing, which I doubt, and there is a curious alliance then between those who have absolutely nothing in common philosophically, economically in economic analysis, but who would join together in denouncing efforts to try and bring about restraint.

Once having brought the effort into disrepute, then they naturally part ways again, the one group watching rather sublimely and blissfully as unemployment mounts, the other group wanting to naturally minimize unemployment, for which they deserve every encouragement, but not knowing what to do when low unemployment does bring about some consequential increase in the pressures of inflation.

That is only a partial digression; it is not a complete digression from the measure that is specifically before us, the estates and succession duties.

I am labouring here under one disadvantage, Sir. While I have heard some of the arguments put forward for the introduction of this measure at this time, at a time by the way when we are still living with anti-inflation controls, we are now being asked to agree to the lifting completely of any requirement or input by those who are inheriting wealth in substantial amounts. This really does give substance and a basis for those who are unhappy with the controls because as they perceive it, it has been insufficiently effective with respect to those who live on other than wage income. And there was never any success of fully explaining that the measures that were being attempted in that restraint program were intended to bear as effectively as possible on incrementation of those in upper-income and in dividend-receiving positions in life. But with this, there isn't even a vestige, not even a smidgen,

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not even a remnant of an effort to try and proceed, more or less, with symmetry and equality of burden-carrying.

Honourable friends opposite introduced this measure in haste. Oh yes and the point I wanted to make then, Sir, was to ask whether they were doing it entirely for reasons of the particular context of where we are inter-provincially with this tax, and regretting the fact that the government of Canada saw fit to drop it, and thereby create this tax jungle. Are they bringing it here because there is, admittedly, and I admit it, somewhat of a taxation jungle in Canada with respect to succession duties or are they bringing it here because they believe it is right? Somehow I rather suspect we won't get that answer tonight, but I am rather confident that it will come out, if not directly, then by indirection, and by Freudian slip, over the course of the next four years. Then we will know better where we are at.

But no way can they use the argument that this is necessary, not only because of the unfortunate particular context in which we have this inter-provincial tax jungle; no way can they go further and say that also what they're doing is in accordance with the practice of the other great democracies because that is not the case nor can the Minister of Public Works pretend that it is no longer necessary? He didn't spend much time on the . . . general aspect. He tried to make the point that it was no longer necessary to have an estate tax because of the implementation of a capital gains tax and let the record show, Mr. Speaker, that one does not obviate the necessity of the other. I guess the best example is our neighbour to the south — needless, in their opinion — the members opposite the United States has become imperceptibly — and has arrived at the point today, where it is too socialistic.

But there's also been misrepresentation of this tax, misrepresentation in the sense that when my honourable friends opposite spoke of it as being part of the tax jungle picture, they also tried to leave the impression that this was something which sort of stared in the face of all of the average income households of our citizens of our province. In fact, Sir, the estates tax — let us allow our minds to go back a decade to see where this was at in the 1960s. My recollection is that at the time when this was under the law of Parliament, that the exemption level below which no tax was necessary, payable, was in the order of fifty to sixty thousand dollars. Because of inflation and because of the recognition that there was nothing wrong with some bit of a helping hand, from one generation to another the exemption level was raised to 150,000 and 200,000 and 250,000. I believe that what is being proposed here is irrelevant — would it be an exaggeration, Sir, irrelevant to about ninety-five percent of the people of this province. I see you nod your head, Sir. I'm not interpreting that to mean that you are agreeing in substance. Quite apart from the affection of which I hold you, Sir, I have some recollection of your views on matters of this kind. But, of course, I know the counter argument is that it was not being put forward as being relevant to ninety-five percent of the population, it was being put forward because even though it would have direct relevance to perhaps five percent or less, indeed less, two and one-half percent, that what they would do with that would be to invest in our economy.

Well, I guess, Sir, rather than belabor the point that rational men would agree that perhaps on some questions of this and similar kinds, that time is the best determiner rather than unending theoretical argumentation and speculation. And I, for one, as a believer in democracy, am content that it is that way. Better that than resorting to means that have been used in other countries, to everyone's ill-effect.

My honourable friends are, I think, trying very very hard, taking great pains to ignore certain facts which took place in our economy in this province in the 1970s. Some of them were consequential in what was happening elsewhere in the country, the world; some of them of more local decision making on the part of both private investors and on the part of the government. The fact of the matter is, Mr. Speaker, that the economy of our province through most of the 1970s has been performing, obviously in nominal dollars, but in real dollar terms as well, adjusted for inflation, inflation squeezed out, has been performing at a better rate of growth than was the case in the Sixties. My honourable friends try to have it both ways, that because of actions on our part, the economy hasn't grown well enough and is not throwing up enough revenues today and therefore they're not able to reduce taxes as much as they would like but they reduce them anyway.

The succession duties tax they are reducing by eliminating it — that's quite a reduction — and then, just to show where their relevant priorities are, they're going to also reduce personal taxation by about one package of radishes a week. But they don't point out, Sir, that in the early 1970s as a result of the introduction of meaningful, of a package of fiscal change that was meaningful to the average households of our province, way out of proportion to what they have just announced — and I'm trying to recall now what was said by some of the honourable members who were sitting on this side at that time. Well, to give one example, I believe instead of — what is a package of radishes a week? Fifty cents? Sixty cents a week? In the order of fifteen dollars a year, more or less, that's the sum total of the difference it will make. In the early Seventies, we brought in fiscal measures, the property tax credit, the property tax rebate, which resulted not in \$15.00 or \$25.00 a year but in the order of \$150.00, \$200.00, \$250.00, \$300.00 a year, and we were adjusting it to maintain and even improve upon the real dollar value.

So, Mr. Speaker, there is all the difference in the world. It can be perceived easily as to what the objective and the targets of priority are, \$20.00, \$25.00 a year as opposed to \$200.00 for the average households and families of our province.

I know of another jurisdiction where when they came to office, they tried to leave the impression that there was a rather major and dramatic problem of a budget imbalance and fiscal insufficiency. I believe — I don't know the details, Sir — but I believe at the time that that one province was not in the same context as the other nine provinces of Canada. But to make a long story short, the incoming new administration there then proceeded to raise taxes, raise user fees and the like. And here they say that there is fiscal insufficiency, budget imbalance. They tried for about 24 hours to create the impression that

it was only here in Manitoba that that was the case but fortunately it was so easy to demonstrate that what was happening, what had happened here, was in perfect symmetrical proportion to every one of the sister provinces of Canada, so they dropped that. I notice in their Throne Speech contributions that the new members — their consciences must have been bothering them because they explained more than once that they weren't particularly interested in attributing fault to the causes of the deficit, but unlike the other circumstance and the other example in the other province, British Columbia, here the new administration pretends there is fiscal insufficiency and then proceeds to do the opposite, not to increase taxation and fees but to decrease them. And most peculiar of all, to decrease them in a way that means a package of radishes a week to the family at the composite industrial wage level, which means most, the average of our fellow citizens, and to, however, go far beyond that at other income echelons, including this one, at a quarter of a million a year, a quarter of a million in inheritance rather, unearned increment. And they want to talk about fiscal integrity and about courage of political decision making! Well what perversity, Mr. Speaker!

Time will tell. My honourable friends are already well under way in less, well in about five weeks now, to operate as though the experience of the last 40 years was of no value, as though change in economics was irrelevant. They are going to proceed by means of measures that will cause a reduction in consumer purchasing power of rather the more essential things and the necessities, to allow for surplus investable funds in the hands of a relatively few so that they can come forward as salvation of our economy and invest.

Even if one were willing to concede that in the long run this might happen, and there are many who would not be prepared to concede that even in the long run because of the experiences of recent decades. But certainly in the short and intermediate run it is foolish in the extreme to pretend that this can have a significant effect. And so in that same time frame, numbers of our fellow citizens will be put into circumstances of inadequate job opportunities and probably bring about a resurgence again, a resurgence of out migration from this province on the basis as it was taking place in the 1960s and perhaps even more so. I can recall years such as 1964, '65 and '66, three years in a row that were periods of such economic doldrums here in this province that the population of our province in 1967 was virtually where it was at in 1963, four years earlier, because '64, '65 and '66 were either completely stagnant and indeed I believe there was total net population loss for two of the years in that decade. And yet we are to believe now that a disproportionate reliance on the private sector will restore a greater degree of economic growth. Well I presume that that's what we had in the Sixties, a heavy reliance on the private sector. Not only heavy — there is nothing wrong with a heavy reliance on the private sector, nothing wrong with it, but at least from time to time there was need for a justifiable utilization of the public sector and not a single word that I have heard from them in recent weeks would indicate that they are prepared to do that in any circumstance whatsoever.

We have, for example, two examples now, Sir, of where it is bordering — well in one case at least it is bordering on the unconscionable, the other case I admit there is less reason for being critical. I refer to the International Nickel circumstance at Thompson and also to the Canadian Co-operative Implements Limited as was announced here the other day. I raise them, Sir, because in both cases we see that there is distress and distress to human beings, indeed to a whole community in the case of the city of 20,000 people plus in Thompson, that sometimes the private sector by itself, no matter how large the corporate entity, has to face up to certain stark circumstances of the international marketplace.

I am not suggesting for a moment that realistic analysis could possibly show otherwise, but what it does demonstrate, Mr. Speaker, is that for those who went about with the illusion in their head and tried to disseminate it further that the election of a Conservative government would bring about such a reawakening of confidence on the part of private investment capital, that there would be even better investment and job creation pace than was the case in the 1970s to date, came to a rude, rude confrontation with the facts of life. Within a matter of ten days after the election of a Conservative — and I mean really Conservative — government, the private corporation in question could have had ample opportunity, did have ample opportunity to convene a special meeting of its board of directors to see whether the election of a Conservative government in the province of Manitoba of a million people should give them cause to have such unbounded new confidence that they would continue to operate on the same level of activity as in the past. Well, who's kidding who, Mr. Speaker?

The election of this Conservative government here didn't have a powder's puff of impact on the internal decision making of International Nickel, although one should have, I suppose, sent a telegram to the board rooms of International Nickel to remind them that because here we had a crew elected who had unbounded confidence in the private sector, that this private sector corporation should, therefore, be willing to have unbounded confidence itself, and should do something to obviate the necessity for governments to scramble and convene *ad hoc* committees to see what, if anything, can be done to alleviate the circumstances in that community of 20,000 souls. You can't have it both ways. Unbounded confidence. Unmodified, unmodified by any thought of even a partial utilization of the Crown as an instrument of trying to stabilize employment levels and minimize unemployment. Well, even sometimes in adversity, Sir, there are opportunities for new things to happen and to be done which can eventually work for the better.

There is in this country, although one would be hard pressed I guess to make much of an impression on many people, there is nevertheless, the beginnings of an energy problem. So as to understate . . . It beginnings of an energy problem it seems to me that in a community such as Thompson which already has above average costs for energy, and I'm thinking more particularly of space heating, and where the costs of space heating using whatever means, I believe it is bottled and tanked, the propane gas is running at cost per million British thermal units about twice that of the city of Winnipeg perhaps, just

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perhaps, : Sir, it would be feasible. But, ah, there's a problem, because for sure there would have to be the involvement of government' provincial and /or federal or both, working with a private corporation. Yes, why not. But perhaps without. If there is no immediate prospect of a reasonable rate of return on the investment, it may be necessary for the first several years to work just as between one or both levels of government to establish an operation which can create a source of heat energy by using local resources, and that would in terms of incremental cost be very marginal to households and the public purse, because it would be a case of substituting moneys already being spent and paid out for the purchase of fossil fuels. Substituting that . . .

MR. SPEAKER: Order, please.

MR. JORGENSON: I know that you are allowing a fair amount of latitude in this speech. I am following the First Minister very closely, and I would hope that he would at least make some passing reference to Succession Duties and Gift Taxes, because that's the bill that is now under discussion, not energy and job creation.

MR. SPEAKER: I want to thank the Honourable Government House Leader for his remarks. I myself have been trying to find out, But but I understand that the Leader of the Opposition is probably suggesting maybe a gift to the people of Thompson. Maybe that is the way he is trying to relate the Gift Tax to the speech.

MR. SCHREYER: Well, I will tell you, Sir. Speaking to the point of order, I should like to outline for you how this is relevant. Because the justification, if there is any, for this particular bill, Sir, and I am deadly serious, is that the abolition of the Estates Tax, the Succession Duties Tax, I have not heard it so far contended from the other side that it is being introduced because it is inherently desirable in its own substance, but that it is necessary because of the competition for private investment, and that private investment is necessary to create jobs and stimulate our economy. I have just given you some examples, Sir, to indicate that it is an impossibility for this to have any such effect for quite some time into the future, if at all. And therefore, Sir, it is not a digression.

And by the way, I was trying to provide a constructive suggestion. Honourable friends do not wish that, then I won't belabour the point except to conclude that one sentence. I was about to conclude that paragraph in any case. I was saying, Sir, that the amount of incremental cost that might have, by means of using a technology and an energy source that could be useful, in creating jobs in Thompson, not to exaggerate, perhaps in the order of fifty to sixty jobs, would in no way offset the total problem; would not necessarily involve major incremental costs because there was already a multi-million dollar expenditure for the purchase of the present source of energy, namely propane. Fortunately some work has been done on this by federal Energy, Mines and Resources and here in Manitoba, and the combination should at least be looked at systematically by the present administration.

I leave that now and revert back to comments that have been made by honourable member opposite with respect to the Estates Tax.

I thought perhaps I could get a rise out of honourable members opposite as to why they are really introducing it, and introducing it now. Is it because they like the idea, think it's a good thing, or is it because they feel that because of the interprovincial Canadian tax jungle that's taken place in the last six years, that they feel they have to do it. I think that I will take the liberty, Sir, of taking page fourteen and fifteen of the budget address of the last Conservative Minister of Finance and mail it to all you newly elected Conservative MLAs, because they will see an attitude expressed there which, while we find it hard to be completely enthusiastic about, at least has much more in the way of economic sanity to it than some of the prehistoric junk that we've been treated to in the past month.

Mr. Speaker, I know what will happen and in a sense it is only right that it's
n, so. A vote will be taken and the majority here will prevail. But when it comes to the 1980s those broad political movements that take place in a province, in a country, in a continent, and indeed they are traceable from centre to right or to left and then back again ill without doubt take place once again. And I suppose, once again after that. My honourable friends need not and have no basis for indulging in the immodesty which comes with the arrogance of the newly elected to government.

MR. SPEAKER: The Honourable Minister.

MR. SPIVAK: Speaker, I have no intention of speaking the required forty minutes on this bill, nor do I intend to present my normal lengthy presentation. I would like to, if I may, very briefly . make a few statements that I think are very necessary as a result of the presentation of the Leader of the Opposition.

irst, Mr. Speaker, the Leader of the Opposition, in reading the presentation of the former Conservative Minister of Finance and sort of adopting the position that nothing has happened since then, ignores the reality of the substantial tax changes that have occurred in the federal level with respect to the whole field of income taxation. Mr. Speaker, there have been some very significant fundamental changes that have occurred in the tax structure in Canada. They did not occur, Mr. Speaker, easily. They came about as a result of a substantial debate and discussion. There I guess would be those who suggest that the tax structure we live under now impedes the development in

Canada. There are those who would suggest it's more equitable.

One of the areas, Mr. Speaker, that was left to provincial jurisdiction to deal with was the area of succession and gift tax. And, Mr. Speaker, it is interesting to note that provincial jurisdictions in the main have withdrawn from the original position of entering into that field for a number of reasons.

Mr. Speaker, under the new tax structure, a capital gains tax exists, and when one dies or when one gives a gift, there is a capital gain that takes place, and there is a federal tax to be levied — a federal tax which, in the case of estates, must be paid. In many cases, because estates are not in a liquid position, assets have to be sold or borrowing has to take place to cover that liability.

Now, Mr. Speaker, recognizing all that's happened, recognizing that provincial governments entered the field, one has to say, is the withdrawal for philosophical reasons, is the withdrawal because of some insidious reason that motivates governments to try and do certain things for a select group of people? Well, Mr. Speaker, if that's the case, then I would have to say to the Leader of the Opposition, it would seem to me that the First Minister of Saskatchewan was interested in this small, select group of people and only in that small, select group of people when he announced that Saskatchewan would withdraw from this field.

What has really happened, Mr. Speaker, is the recognition that while there are competitive jurisdictions, some of whom will in fact not levy this tax, that that will be a reason for some who have mobility, and for some who are concerned about their present situation, to leave the province in which they live, in which they work, and to in effect establish a new residence. And that has happened, Mr. Speaker. And the First Minister knows that this has happened, and it has happened to some Manitobans here.

Now the question of course, is, how many? Can we really identify the amount of money that has left? Can we identify the number of people that have left? Can we in fact suggest in some specific way, so we can pin it down, how many things could have happened in Manitoba that did not happen because of this? And the ability to be able to quantify this is hard, because people who deal and leave and transfer money do so in private and they are not ones who will want their situation known. But, Mr. Speaker, all one has to do is to talk to the charge accountants who handle the financial affairs of major institutions, all one has to do is to deal with the major legal offices, and this government will be doing it as the past government was doing it, and you will find that there has been substantial money that has left. All one has to do is look at some of those people who have been the major developers in this province to find that what has happened, Mr. Speaker, is that they have sold out in Manitoba, they have taken the money, they have incorporated and are now joint venturing in working in the United States, all over. And the Leader of the Opposition knows that, and many of the other members know that. —(Interjection)— After I'm finished, I indicated I intend to be very brief and I really do.

What I'm simply suggesting, Mr. Speaker, is that it would be just nonsense, it's patent nonsense to suggest that somehow or other there was not an awareness, on the part of the members opposite, of the reality of what was happening. And the question that they had to decide, and the choice they had to make was, regardless of that fact, whether the taxation should continue even in its amended form, because they believed in it philosophically, or they believe that the retaining of those who would employ their efforts elsewhere, or employ their capital elsewhere, or leave with their capital, was not significant in terms of the actual job formation that could take place, and the activity that could take place within the business field and the commercial field. Well, Mr. Speaker, there is a difference in philosophy and I don't think we have to worry about it being so hidden in terms of what we are trying to do, we've declared it. We believe that it's necessary to create a climate in which there can be entrepreneurial activity, in which we can use the talents and the resources of the people who have been fortunate to have applied themselves and been successful, and to do things that can happen in Manitoba. And we believe, to that extent, it is necessary to recognize the reality of what is happening in this country, and the reality of the competitive jurisdictions, and the reality of the fact that money and effort can be put elsewhere, and to try and put ourselves in that kind of competitive position.

To that extent, Mr. Speaker, our position is exactly that of Saskatchewan. To that extent, Mr. Speaker, I do not think that we can be condemned, or it can be assumed that there is something of an internal, or a motive that is not announced, something that is hidden. There is, just nothing hidden here, Mr. Speaker as I suggest to the Honourable Member for Selkirk that there was nothing really hidden in the declarations in terms of the Marital Property Act or the declarations of the Attorney-General. There's a suspicion that is being created that is false, Mr. Speaker. We've declared our position. And, Mr. Speaker, that's the judgment. We could be wrong, we could be right, but I would have to say to the members opposite if one examines the efforts that were put forward in the last period of time, and the application of funds that were applied in one form or another through the whole maze of government programs for job formation, and the tremendous administrative costs that were involved, then one would have to say, well, this measure may accomplish the result we want, but certainly it can't do any worse than the members opposite having that amount of money that would be realized by this taxation and applying it as they see fit in terms of the job formation. Because, Mr. Speaker, it hasn't been that successful, and the costs have been very high, and the results are not that significant in the long term. We are trying to create that kind of climate, and maybe to some what we have done with respect to income tax — I do not want to be admonished by the Speaker by getting into that area of discussion — but maybe to some it may be radishes in terms of what it means for a pay period. But, Mr. Speaker, what we are attempting to try and indicate is our clear commitment to try and lower taxation and allow the individual more money in his hands to be able to handle himself. We've done this in that declaration, we've done this in what we're doing with respect to this particular bill, we've indicated our commitment to try and cut, if we can, government spending — and I believe we can — and try and

rationalize that which has developed over the last period of time, and in doing that combine we hope to create that climate of confidence, and that climate of activity, in which those people who have, in fact, left the province — will come back left the province — either directly or with their activities, will come back and apply themselves and be able to do some of the things that they are doing outside, within this province. This will create permanent jobs, this will enhance the economic activity, and we think, in the long run, will accomplish a better result.

And we'll need time, Mr. Speaker, and we will be questioned by the members opposite. But in the course of it we believe the proof will be in the pudding, and we will see in the future whether we are correct or not.

MR. SCHREYER: Mr. Speaker, I had initially wanted to ask the honourable gentleman which of the states of the United States, when he referred to the U.S. in his remarks, he wished to imply as having no succession duties tax, and whether there was therefore reason, motivation to cause some to move or operate there because of the absence of any estates tax. But I won't ask him that because I have a more pressing question to ask him, and that is whether he would not agree that instead of attempting to bring about a tax reduction which means so very little to an average household, but still honoring his philosophy of maximizing the amount of money that people can use their own individual and household judgment on, purchasing power, wouldn't have been at least as good to have increased the property tax or similar type of rebate in the order of magnitude of \$20 or \$30 million.

MR. SPEAKER: The Honourable Minister.

MR. SPIVAK: Mr. Speaker, I hope we are going to accomplish the very result that the Leader of the Opposition wants by eliminating \$30 million of government programming and giving it back to the people.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: I have a question, Mr. Speaker, for the last . . .

MR. SPEAKER: Yes.

MR. JORGENSEN: On two occasions now, the Leader of the Opposition, and now the Member for Brandon East just assume that they have the right to get up and ask questions whenever they choose. This is not the question period, and I think it's customary at least to extend a courtesy to the people who have just completed a speech if he would submit to a question, that has not been done on either occasion, and my honourable friends opposite better not start assuming that they have the right to get up at any time during the course of the debate and start asking questions, because they don't have that right.

MR. SPEAKER: On a point of order, the Leader of the Opposition.

MR. SCHREYER: Yes. In fact, if it were exactly as the Honourable House Leader said, I might agree with him in large part, but if he was here at all he would know, Sir, that I did ask the Honourable, the Minister without Portfolio — (Interjection) — Oh, yes. The record will show that I did rise and ask him, about ten minutes, a few minutes before he terminated his remarks and he said, "At the end, please", which I did do.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I wonder if the Honourable Minister without Portfolio would entertain a question from me.

MR. SPIVAK: Yes, Mr. Speaker.

MR. EVANS: Mr. Speaker, the Honourable Minister makes generalized statements about money, or about capital, leaving the province, and the crisis, but could he give us some concrete evidence, because I note in the introductory remarks by the Minister of Finance himself; he said at that time he could not document, or words to that effect. But the Honourable Minister without Portfolio seems to have some additional information and I am very interested in knowing if he could submit or provide some concrete evidence, some examples, some cases where this happened, because I am not aware — I am aware of some money leaving, but I am not aware of any adverse . . . — (Interjection) —

MR. SPEAKER: Order, order. Order, please.

MR. JORGENSEN: I presume now that the record will show that the Member for Brandon East has spoken on this date.

MR. SPEAKER: Order Please.

MR. SPEAKER: May I suggest to the Honourable Member for Brandon East that information of that nature is of a confidential nature and may affect the lives of individuals. I now recognize the Member for Transcona.

MR. PARASIUK: Thank you, Mr. Speaker. I'm glad that the Minister without Portfolio actually joined in the debate. I was getting the impression that this Legislature consisted of a bunch of press releases being issued by the other side and our commenting on them here in the house, and it's nice to see that there is going to be a give and take in debate.

I think that some of the points raised by the Minister without Portfolio in large part do raise some points that should be answered. I suggest that it is very difficult to monitor capital flows between provinces and so there is a lot of speculation involved as to whether, in fact, what is happening is happening, and the talk of accountants and lawyers sometimes is heresay and sometimes is exaggerated, or the motivation behind those people moving may in fact not be the succession duty. But I think there is one way of trying to monitor what will happen and the effect of this, and that is to check the rate of venture capital formation, and take into account, not the ventures of people like Izzy Asper or the Canadian Development Corporation, a public entity, had to put in a chunk of public monies in order to get venture capital formed in Manitoba, so that it could be applied to any type of private development. But rather, over the next two or three years, we should — and I will be asking questions of the Minister of Finance from time to time, as to whether in fact he is setting up a mechanism to monitor venture capital formation. If he is setting up that type of mechanism I think that's a fair thing to ask of the government to undertake to do. And as the minister indicates, it is a matter of time, and the proof of the pudding is in the eating, and I think, as I said in my speech on the Throne Speech, that a lot of eggs are being put in one basket, and this is a departure from the Roblin administration. It's probably a throwback to something previous to the Campbell administration, and it's an interesting throwback. — (Interjection) — Well, yes, sir, or probably Herbert Hoover. It might have been efficient in a narrow sense, but it didn't work in an economic sense, but I think we should monitor, and we will.

Now, if in fact we take the logic of that position and carry it forward, we should not only abolish succession duties we should give people a premium to come and die here, we should give them \$10,000 bucks then they would flock here. They would come here, it's an inducement, it's an incentive. — (Interjection) — No, I wouldn't suggest that, nor do I suggest removing the succession duty, because it isn't proven.

But if you look at some of the other experiences of people who have, in fact, moved — supposedly because of succession duties. You have E.P. Taylor, he lives in the Bahamas now. I doubt if he was paying succession duties, he just didn't want to pay taxes at all. You have K.C. Irving in New Brunswick. K.C. Irving, who is more ubiquitous in a province than other industrialist in Canada . . .

MR. SPEAKER: Order, order please. May I remind the Member that we're talking about the succession duty and gift tax in Manitoba, not in New Brunswick.

MR. PARASIUK: I think, with your indulgence, Mr. Speaker, I am trying to point out that the argument with respect to succession duty, in the argument they draw up comparisons with other provinces. Well, if you can draw a comparison to Saskatchewan, I surely should be able to draw a comparison to New Brunswick, and the Bahamas. And you have the spectacle of K.C. Irving, who owns so much of the province, coming into New Brunswick, his home province, coming into his home province, not living in his house, not even daring to stay overnight in his house, but staying in his hotel, because he doesn't want to get entrapped into paying any type of taxes.

And we have the spectacle of the probate on the estate of Howard Hughes. Howard Hughes was an arch socialist in the United States. This is a man who didn't like anything to do with taxation. He was the paragon of private enterprise. He had a billion dollar empire, he was incredibly successful in business, but the interesting thing, in looking at his estate, Mr. Speaker, was that he so set up his organizations that he wasn't paying any taxes whatsoever. And the further thing that was interesting, and I think it's rather ironic, and it says something about people who believe only in a certain very narrow type of archaic system, that 80 percent of the revenue of his corporations was provided through public taxation because he was completely in the defence industry. So here's a person who didn't like paying any taxes, including succession duties, but lived from the public trough.

Now we will in fact see the extent to which the system that will be established, with succession duties and with respect to other taxes, is in fact free of any other types of incentives, or special loans, or special grants to the private sector, and I would venture to say that they won't be because in Canada we have not had a successful private sector, without assistance from the public sector. INCO is a paragon example; \$80 million of investment in Guatemala was provided by the federal Liberal government through the Canadian Development Corporation.

MR. SPEAKER: Again I must ask the member to keep his remarks with the bill that is in front of us.

MR. PARASIUK: I am dealing with close of capital, which is part of the argument for bringing in Succession Duties, Mr. Speaker.

MR. SPEAKER: Order please. We are dealing with the Succession Duty Act and the Gift Tax Act.

MR. PARASIUK: Which in fact, Mr. Speaker, has been brought in because in the statement bringing in the Act by the minister, the minister referred to adverse capital flows. So, Mr. Speaker, I'm talking about adverse capital flows. The reasons for adverse capital flows, the extent to which the government is involved or not involved in capital flows, and the extent to which succession duty plays a part in this.

Now it's interesting that in that instance, through the Canadian Development Corporation, \$80 million was spent. Now I don't like that being spent either and I would think the people on the other side of the House don't like that \$80 million being spent. I have not heard them say anything to the contrary, however. I have not heard them say that they think this is bad, this has hurt Thompson.

But with respect to the Succession Duty, I look forward to the establishment of this monitoring system. I take it from the comments of the minister responsible for this task force on efficiency, that since he has an interest in determining how one assesses the impact of decisions, that he might undertake to see that this is done. And I say, Mr. Speaker, that the only way we will be able to tell is through the test of time. And we will ask questions next year on this, and I think we will have to look at the venture capital formation because if nothing happens, if in fact there hasn't been the change, then that poses the question of whether in fact that type of philosophy shows itself on the other side, has any relevance at all, for Manitoba, whether that narrow blinkered, ideological dogmatism on the other side has any relevance. And they have that mandate now to carry this out. They will carry it out. They are saying that they will monitor. We will watch them very closely. But I predict, Mr. Speaker, that it won't work.

MR. SPEAKER: The Honourable Minister for Industry and Commerce.

MR. BANMAN: Mr. Speaker, I first of all would like to say that I am pleased to follow the member for Transcona, because I think he brought up a very important point when he was speaking with regards to the Gift Tax and Succession Duty legislation that we're dealing with here tonight.

He mentioned Howard Hughes, he mentioned E. P. Taylor. Mr. Speaker, let me tell you those people of that type of magnitude have moved out of Manitoba a long time ago. The problem that we were facing in Manitoba with this particular piece of taxation was one in which the average person, the farmer, who had built up his estate, did not have the knowledge, could not afford the expertise to hire accountants, the lawyers to bring about the type of tax avoidance that the member was talking about. My goodness, guys like E. P. Taylor or Howard Hughes use a battery of lawyers or accountants sitting there all day long trying to figure out how they can avoid taxes. But this tax was catching the small businessman, was catching the farmer who had scrimped and saved all his life, lived meagerly, then because of inflation, the value of the land went up. Finally when it came to say that he was going to cash in on his work, what happens? He is faced with a tax bill like this. All you have to do is go talk to the small credit unions, the small bank managers, who have been trying to advise a lot of these people who did not know that they had a Gift Tax problem. They've been advising them, "Listen, get some legal help. Try and straighten this thing out. Otherwise they are going to take that all away on you". I'm not concerned about E. P. Taylor or Howard Hughes or people like that. They were out of Manitoba a long time ago. Mr. Speaker, we were taking it from people who were unaware of what was happening to them, in the majority of cases. And I'm glad the member brings that up, because I have no torch to bear for people who can dig up enough resources to avoid that type of taxes.

But that brings us to the other point, Manitoba being the only province in Western Canada, having this. My goodness, anybody in his right mind would be crazy to die here. If you've got a sizable estate, you would be crazy to die here. So what has happened, we've had an amount of capital leaving this province.

Mr. Speaker, I would just like to dwell a minute on some of the information that was received by the previous Minister of Industry and Commerce. He knows very well his department provided him certain tentative figures of the exodus of capital because of the Gift Tax and Succession Duties in this province. He was presented with briefing notes on that. Mr. Speaker, it was estimated from one chartered accountant firm alone in the city of Winnipeg, they estimated that over the last five years more than \$100 million escaped out of this province because of succession duties. It goes on to say that there are 120 chartered accountant firms in this province, and it says the transfer of one billion dollars at a rate of two million per annum over five years is — get this, Mr. Speaker, a conservative estimate.

So, Mr. Speaker, I tell you that the gentlemen opposite knew, despite the problems we face in the manufacturing sector in the province right now, we were losing investment capital — to where? To NDP, Saskatchewan? Mr. Speaker, the gentlemen opposite knew what this tax was doing to the people of Manitoba. They knew it was driving investment capital out, and that's why this Conservative government has brought in this bill and attempts to try and keep some of that investment capital here, to help the small entrepreneur to stay in Manitoba, live in Manitoba and not be scared to die in Manitoba.

MR. SPEAKER: The Honourable Member for Transcona have a question?

MR. PARASIUK: Yes. I was wondering if the Minister of Industry and Commerce would entertain a question. Would he be prepared — because I never saw those documents — would he be prepared to table them, in that the previous minister indicated that it is very difficult, if not impossible, to ascertain what the capital flows are and I would like to see the extent to which some of that is documented or the extent to which it is just hearsay?

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

MR. BANMAN: Mr. Speaker, I suggest the Member for Transcona talk to the former Minister of Industry and Commerce and ask him if he could see his briefing papers.

MR. SPEAKER: The Honourable Member for Brandon East. Is this a question or are you speaking?

MR. MCGILL: Mr. Speaker, I would wonder if the honourable minister would entertain a question. Following this previous question I would really appreciate it if the honourable minister would find that document and table it because I've seen many documents and I do not recall that and I do not accept everything that I see either.

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

MR. BANMAN: Mr. Speaker, I suggest to the Member for Brandon East, he was questioned on this very subject a few months ago during this session and at that time I think he possibly had those notes on hand.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would move, seconded by the Member for Rupertsland, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 4, moved by the Honourable Minister of Finance, an Act to Amend the Mineral Acreage Tax Act. The Honourable Member for Point Douglas. (Stand)

BILL NO. 5 — FAMILY LAW

MR. SPEAKER: Bill No. 5, proposed by the Honourable Attorney-General, standing in the name of the Member for Fort Rouge. There's no one here to speak for that member. Shall we leave this standing in his name or does someone wish to speak? The Honourable Member for Brandon East. (Stand) The bill will continue to stand in the name of the Member for Fort Rouge.

MR. EVANS: Thank you very much, Mr. Speaker. I only have a few remarks to make on this particular subject and I don't pretend to be an expert of any sort in the nature of family law. I know there are many in this assembly who do have a fair knowledge of family law and the history of family law in this country of ours. But I do suggest, Mr. Speaker, that it indeed is an unfortunate move on the part of this government, so early in its tenure, to take this particular action that it has in introducing Bill 5 which, in effect, suspends a very progressive piece of legislation, the Family Maintenance Act, and which also defers the coming into force of another piece of very progressive legislation, the Marital Property Act.

I am concerned more than ever, Mr. Speaker, in this matter and I think many women in Manitoba, I believe, are concerned more than ever with the motives of the government, in this case, since the Minister the Attorney-General has discussed this matter on the CBC radio this morning. It was my understanding that the Minister the Attorney-General supported the principles, or the main principles, embodied in the bill, and yet at the same time, my information is that this morning on CBC radio statements were made by the Attorney-General to the effect that he was not so sure of his position on sharing of commercial assets, and he was not so sure of his position on the question of fault, on the principle of fault. There is nothing wrong with being uncertain of your position, but I think what you do, Mr. Speaker, I think by making this type of assertion you throw into question the whole point that has been made to date, I believe, by the government, and that is that the government and the Attorney-General supports the principles embodied in the bill. And yet, the Attorney-General has now cast some shadows on that particular assertion, and I do call upon the Attorney-General to stand up at the appropriate time, or in this house, or to declare outside of this house, if necessary, that he does support the major principles of the bill, that he be very specific about this, that he be very clear about this and that he remove all doubts that are now lurking in the minds of the people of this province who are concerned about this matter, and particularly those doubts that are lurking in the minds of the women of this province.

I believe, Mr. Speaker, that there is no real necessity for this legislation, at this time. The legislation will delay implementation of measures that will, in my opinion, give a new dimension of freedom to the women of this province. The legislation which we had passed in the last session which the New Democratic Party, being in Government at that time, was able to pass through this House. This legislation was a step forward for females, in a sense, I think, equivalent in many ways with the granting of the franchise to women many decades ago, around the period of the first world war. It's in many ways equivalent to the granting of the franchise to women. At least it is a significant forward step

in the process of democratization, it is certainly a forward step in social justice. It is my view, Mr. Speaker, that women in this province, this country and in this universe of ours, are demanding equal rights with men, and they will not tolerate their subservient role that they still find themselves in in the case of marriage, or indeed in any other dimension. And they do believe that, at the present time, they are being deprived of their fair and equitable financial status within the marriage forum, within the scope of marriage.

The family laws that the New Democratic party government managed to pass in the last session had certainly been based on a great deal of thought, certainly we cannot be accused of acting on the basis of very hasty research or on the basis of undue haste in consideration. There was certainly plenty of consideration, there was no lack of due consideration. I think the letter from the Congress of Canadian Women, which I received a copy of, this letter of November 19th addressed to Premier Sterling Lyon, makes the point very well, that is the point of thought and research and dialogue that has gone into the family law, and if I may just quote the one paragraph from this letter signed by Mrs. Ann Jackson, president of the Winnipeg Chapter of the Congress of Canadian Women. "Almost eleven years ago, after decades of stalemate in which women struggled along under the outmoded concepts of Victorian legislation, the federal government established the Royal Commission on the Status of Women with a view 'to ensure for women equal opportunities with men in all aspects of Canadian society.' Four years later this commission made many recommendations relating to women's marital status, and particularly with property rights and maintenance, Chapter 4 Women and Law Pages 225 to 290. These recommendations were further studied by the Manitoba Law Reform Commission, and after three years of study and hearing representations from individuals and organizations from various levels of society the two laws in question were largely based on its report.

We submit, that after eighteen years of study and discussion the time has come to implement legislation and see how it meets the need."

That is the quotation from the letter addressed to the premier of this province, sent by the president of the Winnipeg Chapter of the Congress of Canadian Women. And I say therefore, Mr. Speaker, the family law legislation, which was brought into being earlier this year, was based on considerable thought, considerable research, considerable dialogue.

And I would be the first to agree that this legislation, as with the case of any legislation, is far from perfect. No law is perfect, and indeed law does change through the course of time, through the course of years, and I suspect this is true of the family law legislation that we are looking at, and law has a way of progressing and evolving over time. But I submit that the law that we have should at least be given an opportunity to be tested, and if and when the time comes for improvements and modifications for the better, well so be it.

I would like to make some specific suggestions to the Attorney-General and to the government, Mr. Speaker, with regard to specifics of mode of operation. I would like to suggest that the briefs that are being called for by the special committee, or the task force that has been set up, that these briefs be heard and dealt with by a legislative committee, and not by the so-called special committee or task force. It is my view that really, in many ways, this special group — headed up by a Mr. Houston — and its mandate is somewhat of a — well if it is not an insult it certainly reflects on the competence of members of this legislature, and certainly reflects on the competence of the legislative council of the government of Manitoba, a legislative council staff who are indeed most experienced and have done a very fine job over many years, and these individuals in the legislative council office indeed have served many parties. I think some of them there have served through three different party governments, and these people I think have proven themselves over the years, and I do really think that we are reflecting on their ability, and we are certainly reflecting on the authority and ability of members of this Chamber, on both sides, who could well deal with any additional briefs that the government may wish to receive.

So I would go one further, and if I had my way I would remove the special committee entirely and leave the matter to the legislative committee and its legislative council. The very smallest suggestion, the very least I would suggest, is that Mr. Houston be removed from this particular special committee because the record shows — and I don't know Mr. Houston and I'm sure he is a very competent person, a very capable man of integrity and I have no reason not to respect that individual in any way, shape or form, and I do not really know the gentleman. I have heard that he is a very competent lawyer.

The problem I have is that the record shows that he is against the principle of the bill, at least the written record from the committee debates of last spring show that he's against the principles of the bill, and I am afraid that this hostility, whether consciously or unconsciously, will somehow, if not ensuring the demise of the backbone of the legislation, the heart of the legislation, it will certainly ensure some major watering down of this progressive piece of family law legislation. I think the women of Manitoba have every right to be alarmed as they have expressed their alarm publicly at the appointment of this particular individual.

I think the best suggestion I have to offer is really to repeat what my colleague, the MLA for The Pas, suggested the other day, and that is, why not leave the legislation as we now have it, that is the legislation that was introduced last spring and passed in the last legislature. Why not let it stand and give it a chance, monitor its success, monitor its weaknesses where they may appear. And if we find that we, members of the legislature, members of the government find that there are serious weaknesses in the law, then certainly next spring is certainly not too late to bring in amendments to correct any defects that may have been found as this law is applied through the courts, and as it is given experience in our society. I say give this family law package a chance. It's only a few months, a few months until the next session, and that is certainly not a great deal of time to have to wait to correct any defects, having given the new legislation an opportunity to work. I am sure the majority of women in

Manitoba are ready to accept the judgment of the courts in any disputes that may result in this interval.

I take the position that I do, Mr. Speaker, in this particular bill because I have not been vocal in this matter in the last session but I do stand now and speak to the House on this matter because I cannot recall that the family law matter was an issue in the election. It was certainly not an issue in Western Manitoba; I can't recall it being an issue in many of the ridings that I observed through reading of the media, reading of the newspapers, listening to the radio reports, the television news reports and so on, and I do not know of it being an issue anywhere in the province. Certainly it was not a general issue and, therefore, the new government, having been given a clear mandate, nevertheless did not receive its mandate on the basis of changing this particular piece of progressive legislation. I say, therefore, categorically, Mr. Speaker, that the new government does not have a mandate to destroy this landmark legislation. Maybe I am being overly alarmed, but I am reading, I am reading and listening, as I said earlier — I don't know whether the Honourable, the Government House Leader, was in his seat or listening to me at the beginning of my remarks because — I did refer to statements made on the radio this morning which did throw into question the matter of the acceptance of the principle, or principles, of the bill. —(Interjection)— The Attorney-General was being interviewed on CBC radio this morning and this is the source, Mr. Speaker. I take this position because I think it is clear to all Manitobans who are interested in the political processes that this government does not have a mandate to destroy this landmark legislation.

I think there is general agreement across Canada, from the various press reports I read on it, that this is certainly exemplary legislation, it's been looked upon with favour by various women's groups, certainly, throughout the land. It embodies these very important principles — very briefly, removing the element of guilt or fault from spouses who separate, and it simply allows need to be their criteria, very specifically allows need to be their criterion rather than fault in decisions.

Secondly, it will make it possible, the legislation that we had passed makes it possible for a man, impossible rather, for a man to walk out on his wife and children leaving them often nothing — and this is very unfortunately too often the case — leaving them nothing but a court order for maintenance.

Thirdly, it recognizes that a woman's unpaid labour in the home is of value in accumulating the assets of that family. I am only stating three of the major principles in the bill but, as I said, these three and some other ancillary points make this legislation exemplary in this country of ours. The fact that there are so many groups — I didn't realize that there were such a large number of women's groups who are genuinely concerned in this matter, that it is quite obvious to me that we are not looking at any particular political group — in the normal political partisan sense — we are looking at a list of many, many groups of women from various walks of life — rural, urban, professional, otherwise. There is reference made to the listing here in an article in the Tribune of Saturday, November 26th, and these were the groups that were participating in the protest, I understand, on Monday: The Winnipeg Council of Self-Help Groups; the Committee for Women Artists; the Manitoba Association of Social Workers; The Women's Institute of Manitoba — which can hardly be described as being very red or even pink or what-have-you, a very fine organization, essentially a rural organization as I understand it, I know some very fine people who are members of the Women's Institute, but they were, according to this article at least, participating in the demonstration on Monday; Federal Advisory Council on the Status of Women; the Manitoba Action Committee on the Status of Women; the Manitoba Association of Women in the Law; the Voice of Women; The Canadian Congress of Women; the United Nations Association; an organization called A Women Woman's Place. I am not really familiar with all of these organizations. The next I am, The Manitoba Teachers' Society, which I think is a pretty important group; the Women's Liberation; the Manitoba Librarians' Association; the National Council of Jewish Women; and if you will forgive me, the NDP Status of Women Committee; The Liberal Association of Manitoba — not the Women's Association of the Liberal Party but the Liberal Association of Manitoba — again according to this news report; the YWCA which is a fairly broad organization in the community; the University Women's Club of Winnipeg; the Provincial Council of Manitoba, Dioceses of Rupertsland which is connected to the Anglican Church of this province, of this country; the Manitoba Association of Registered Nurses hardly can be described at all as a political organization of any type I'm sure; the Provincial Organization of Business and Professional Women's Clubs.

Well, that's quite a long list, Mr. Speaker. —(Interjection)— I am advised by one of my colleagues that possibly the Minister of Labour is a member of one of those groups. I don't know to what extent she is familiar with the organizing of the demonstration or whether any of these groups had approached her but I would think, Mr. Speaker, that as the only woman in the legislature, that she would wish to participate in this particular debate on this particular law and I would hope that she will not let the women of Manitoba down by remaining silent. I would indeed hope that she will speak up loudly and clearly and I am sure she can speak with much more authority and much more effectiveness than I can. I admitted at the beginning that I do not pretend to be very knowledgeable in this area . . .

MR. CHERNIACK: Ask her if she agrees with her Premier's statement about breeding, about these Conservatives being good breeders.

MR. EVANS: Mr. Speaker, we do on this side look forward to hearing from the Minister of Labour, not simply as one who is being put on the spot to answer questions. I know what it's like; I've had eight years of experience of being asked questions but . . .

MR. CHERNIACK: The Women's Bureau comes under her jurisdiction.

MR. EVANS: Ah, yes, the Manitoba government, the previous government in Manitoba established the Women's Bureau within the Department of Labour and incidentally, the Women's Bureau of the Department of Labour has paid a very effective role in assisting the women of this province to know their rights, particularly in the workplace and I think that's very important. I think as Minister of Labour, as Minister therefore responsible for the Women's Bureau, as the only woman in this legislature, I think that it is most fitting, Mr. Speaker, that this minister make a clear contribution on behalf of the women of Manitoba and ensure that these principles continue to be enshrined in our family law legislation. As I said at the beginning, while at the outset we were assured by the Attorney-General and by the government that there was no intention to destroy the heart of the legislation, that they had accepted the principles of the legislation, that there were some technical difficulties that they thought should be cleared up and that it may be difficult to administer in the courts or to be processed in the courts and in the legal hassels, the legal processes as so on, but then we hear the reverse. When we hear the Attorney-General as we heard him this morning on CBC radio state himself that he questions some of these principles, we do begin to wonder and I think that there are many more women than ever before who do very seriously question what exactly will be happening to this legislation now and in the weeks and 8 months ahead. So, here I say, Mr. Speaker, is an opportunity. The one spokesman of the other sex, the fairer sex, the one spokesman of women we have in the House has an excellent opportunity to become a hero of the women of this province and all these organizations that I mentioned because, as I said, from my point of view the bulk of these organizations are strictly nonpartisan. There are two that seem to be but apart from them I wouldn't consider the YWCA or the National Council of Jewish Women or the Diocese of Rupertsland to be partisan in any way, shape or form.

So, Mr. Speaker, with those few remarks I will conclude my contribution at this stage of the proceedings of this legislation. I repeat, a very broad cross section of the people of this province are concerned with this legislation. The Premier said he was not against — (Interjection) — I don't know' I hardly recognized anyone in that demonstration. The demonstration was not a partisan demonstration. It was partisan to the extent that it was partisan in favour of women, yes, but it was not partisan in terms of favouring one established political party or another. Therefore we have a broad cross section of people who are vitally concerned. The Premier of this province, the First Minister of this House has said he is not against women and he's not against women's rights and I'm pleased to hear that and therefore, Mr. Speaker, on that basis I would hope and trust that the government of the day will reconsider their move to turn the clock back and withdraw this particular piece of legislation, Bill No. 5. Thank you.

MR. SPEAKER: Bill No. 5 will continue to stand in the name of the Member for Fort Rouge. We are now on Bill No. 6. The Honourable Member for Point Douglas.

MR. FOX: Stand, Mr. Speaker.

MR. SPEAKER: We then go to the adjourned debate on the proposed motion of the First Minister standing in the name of the Honourable Member for Inkster.

MR. FOX: Stand, Mr. Speaker.

MR. SPEAKER: And the same with the other motion in the Member for Inkster's name. That brings us to the end of the Order Paper.

Before the House is adjourned may I advise all members of the House that I have been advised that the roads are extremely slippery so I urge you all to drive with the utmost care and caution because I would all like to see every seat filled in the session at morning.

The House is accordingly adjourned and stands adjourned until 10:00 a.m. in the morning.