

Second Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

*Published under the
authority of
The Honourable Myrna Driedger
Speaker*

Vol. LXX No. 68A - 10 a.m., Tuesday, October 10, 2017

ISSN 0542-5492

MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy, Hon.	River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
CURRY, Nic	Kildonan	PC
DRIEDGER, Myrna, Hon.	Charleswood	PC
EICHLER, Ralph, Hon.	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FIELDING, Scott, Hon.	Kirkfield Park	PC
FLETCHER, Steven, Hon.	Assiniboia	Ind.
FONTAINE, Nahanni	St. Johns	NDP
FRIESEN, Cameron, Hon.	Morden-Winkler	PC
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin, Hon.	Steinbach	PC
GRAYDON, Clifford	Emerson	PC
GUILLEMARD, Sarah	Fort Richmond	PC
HELWER, Reg	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
JOHNSON, Derek	Interlake	PC
JOHNSTON, Scott	St. James	PC
KINEW, Wab	Fort Rouge	NDP
KLASSEN, Judy	Kewatinook	Lib.
LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan	Selkirk	PC
LAMOUREUX, Cindy	Burrows	Lib.
LATHLIN, Amanda	The Pas	NDP
LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
MARTIN, Shannon	Morris	PC
MAYER, Colleen	St. Vital	PC
MICHALESKI, Brad	Dauphin	PC
MICKLEFIELD, Andrew	Rossmere	PC
MORLEY-LECOMTE, Janice	Seine River	PC
NESBITT, Greg	Riding Mountain	PC
PALLISTER, Brian, Hon.	Fort Whyte	PC
PEDERSEN, Blaine, Hon.	Midland	PC
PIWNIUK, Doyle	Arthur-Virden	PC
REYES, Jon	St. Norbert	PC
SARAN, Mohinder	The Maples	Ind.
SCHULER, Ron, Hon.	St. Paul	PC
SELINGER, Greg	St. Boniface	NDP
SMITH, Andrew	Southdale	PC
SMITH, Bernadette	Point Douglas	NDP
SMOOK, Dennis	La Verendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
SWAN, Andrew	Minto	NDP
TEITSMA, James	Radisson	PC
WHARTON, Jeff, Hon.	Gimli	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian, Hon.	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
YAKIMOSKI, Blair	Transcona	PC

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 10, 2017

The House met at 10 a.m.

Madam Speaker: O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom, know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

Please be seated.

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

Mr. Andrew Micklefield (Rossmere): Madam Speaker, would you please canvass the House to see if there is agreement to consider the report stage amendments for Bill 215?

Madam Speaker: Is there leave to consider report stage amendment on Bill 215 this morning? Agreed? [*Agreed*]

**REPORT STAGE AMENDMENTS—
PUBLIC BILLS**

**Bill 215—The Civil Service Amendment Act
(Employment Preference for Reservists
with Active Service)**

Mr. Wab Kinew (Leader of the Official Opposition): I move, seconded by the member for Minto (Mr. Swan),

THAT Bill 215 be amended by replacing the proposed Clause 2 with the following:

2 Clause 14(2)(a) is amended by replacing the part after subclause (ii) with the following:

and who

(iii) has left that service with an honourable record or has been honourably discharged from the service,

(iv) continues to serve as a member of the reserve force of the Canadian Forces, or

(v) in the case of a member of a First Nation or a person who is a citizen of Canada and the United States of America, continues to serve as a member of the reserve force of the Canadian Forces or a reserve component of the United States Armed Forces;

Madam Speaker: It has been moved by the honourable Leader of the Official Opposition, seconded by the honourable member for Minto, that Bill 215, The Civil Service Amendment Act (Employment Preference—

An Honourable Member: Dispense.

Madam Speaker: Dispense? Dispense.

The honourable—the amendment is in order.

Mr. Kinew: In brief, we're in support of Bill 215 and, on a personal level, did—I did enjoy the committee process with respect to this bill. And, you know, congrats to the member for Kildonan (Mr. Curry) for bringing this forward.

The amendment here is just to ensure that, in the spirit of this bill, which is to preserve opportunity for those who serve in the armed forces, that we ensure that we're being as inclusive as possible for everyone in our country who serves, and this amendment just broadens the category for two unique cases which would be for First Nations people in Canada and also for dual citizens of the United States of America and Canada.

So both of those classes of people are entitled, even if they're born in Canada, to serve in the US military. The US military being one of our closest allies, it seems fitting that we would allow people who are in the reserves there or who have military service to enjoy the same sort of consideration for employment hiring that the member for Kildonan has brought forward in the rest of the bill here.

I have a few friends from Sandy Bay First Nation, for instance, who were born in Canada, but following 9/11 enlisted in the United States Marine Corps, and one of them served overseas in numerous tours as part of Operation Iraqi Freedom, Operation Enduring Freedom and the Global War on Terror, somebody who's now come back to Canada and is, you know, working towards getting a university degree. So it seems to me that somebody like that who has served our society and one of our close allies, being a Canadian citizen should probably receive a similar sort of employment consideration if he is to apply for a job in civil service someday.

So it's just—again, we agree with the bill generally and, in keeping with the spirit of the bill, we thought that we might extend it to include First Nations people as well as dual citizens who may serve in the US military as well.

Thank you.

Mr. Nic Curry (Kildonan): Madam Speaker, it's a pleasure, as always, to rise here in the Chamber.

I want to welcome everyone back from a wonderful Thanksgiving weekend. I hope everyone enjoyed some time with friends and family.

It's great to be back at work. It's my favourite job I've ever had, is being able to represent the good people of Kildonan who every day I come here I get to think about that responsibility and that honour I get to have.

I also like to extend my congratulations to the Leader of the Official Opposition (Mr. Kinew) on his victory as now leader of his party. It's a lot of work that goes into politics and even additional work at the back level, so my congratulations to him. He and I are both young fathers. We're both in our 30s and I know that the challenges that therein entails is something that, hopefully, at Thanksgiving we were all able to kind of pay attention to and I'm hopeful that, you know, by having our experiences as younger politicians, perhaps, that can aid to our discourse and, certainly in the matter of this amendment it's something where I've been very happy to work with all members across our Chamber.

This is not a partisan issue. It's something where we've complemented many times the efforts of previous governments in regards to supports for the Canadian Armed Forces. So it's something where I'm very happy to have worked with members opposite and members on this side of the House as well,

something where learning things about, you know, my colleague from St. Norbert and his experience in the military. More and more we get to chat about these things when we're talking about these matters in this House—learning about the member from Morris and his life as a self-proclaimed military brat—being able to hear those kinds of stories very important to this discussion.

So I'm very glad we're able to continue this bipartisan work, work that started before I was elected. This is something where on the campaign trail, speaking with many of my supporters, of course, naturally my own history coming from the military, speaking with veterans, some of whom are in the Chamber today. Very pleased that we have former Sergeant-Major Hugh O'Donnell and former Corporal Jason Cook with us today. Both men served outside of Canada on operation with distinction and honour.

Both men are people who I've been a pleasure to know in my workings in the military, Jason as a peer and Hugh O'Donnell as a supervisor. I was a sergeant-major when I joined the military and his discipline and distinction duty was something that we could emulate, and I'm very happy that they're here today with us.

* (10:10)

So in terms of what this amendment to my amendment is doing, is something I think is very poignant when we talk about how we work with our allies. I've had the pleasure to train with members of the United States reserves both here in Manitoba and across Canada. It's something we're very proud—that we have such a close partnership with the United States. It reminds me, during the Second World War, of course, that—there was no question that support from the United States would aid Canada at war when we were at war with both Japan and with Germany.

And this is something where Canadian pilots trained American pilots here in Canada, and vice versa—American equipment and technicians would come up to Canada across the border just at Emerson. And this is something where this connection between Canada and the United States is bonded in blood, a blood of battle that we've fought over the years and conflicts that we continue to fight today. Conflicts like Afghanistan, and conflicts that will continue to be a part of unfortunate landscape of our world. However, an important part to remember

that, in conflict, we can find some important connections with each other.

And so this is something where—it is very important. I myself—it's interesting that the member of the official opposition brings up—I served with members who had been in the United States military, who had served—who had been Canadian citizens, have served the United States military and then decided to come over to Canada and serve in the Canadian Armed Forces. And that kind of connection is important. It's important that we have those dialogues.

For those who had a bit of time, I was very happy that I was able to record the Ken Burns documentaries about the Vietnam War. And there are some poignant parts of those documentaries where people who avoided service in the military in the US by coming to Canada and seeing in their eyes where they're happy Canadians. But, at the same time, not having their connection to their home country was very shattering for those people. And I think having greater supports, greater ways that we can work together between Canada and the US is important.

In terms of this, I've spoken many times, but the work that I will be doing with veterans is not over. This work is something that will continue after this debate this morning. We'll continue to find ways to make our laws in Manitoba better. We'll continue to find ways that we can improve how veterans access services. This is something where even the amendment we're speaking about today—we need, you know, to have those discussions in ways that we can make sure that these can be improved over time.

So it's important as well, and I'm glad that the member brought up—the Leader of the Official Opposition (Mr. Kinew) brought up people they know who had served in the United States. It's very important that we make sure—and make it crystal clear for people who are going to be serving in the United States military that we need soldiers here in Canada as well.

So I know my colleague from Minto—Minto Armouries in his riding had an open house where well over 100 people were able to see the work and life of a soldier. But we need more people who are participating and understanding how the Canadian military works. We have to make sure our laws are built there so we can have people serve in the Canadian Forces.

And although we enjoy people having the freedom and right to go serve in the United States military, we want to make sure they can serve in the Canadian military too. And I hope that's made very important. I want to make sure that was clear with this amendment that people must serve on operation in Canada first.

And, in case there is any kind of question of members who served with distinction and honour in the United States military, we need them to also serve with distinction in the Canadian military. This is something that's needed over and over again. And so I hope that is not lost in this discussion of how we can support veterans, because we have to make sure that Canadian veterans receive that place where we value—not just for the sake of valuing veterans.

Sometimes this idea that it's a badge you can wear just for the sake of badges. This is something we recognize: that veterans have an intangible quality—or people who have served in various degrees of service in operation, they have tangible qualities. The dealing with stress, the coping with those realities, being able to assess dangers and threats, having extra effect on those jobs; that is the critical importance.

When we have veterans already employed in almost every level of the Manitoba civil service, that this amendment hasn't happened yet is itself almost confusing, because so many veterans and reservists are employed in the corrections departments, Crown Services, sheriff's departments, various other parts of this.

And, if I did not have to leave the military to be a member of this Legislature, no question I would continue to serve with my regiment in whatever capacity I could. And, in many ways, I still do. I still stay in connection, I still attend social functions, speak on various things, and we're trying very desperately to try to get me accredited where I can teach as a civilian contractor on basic training courses some of the skills that I've learnt over the years.

And these are things where—it's tough to leave our past behind sometimes where we have such a connection to it. I know my friend from St. Norbert can be seen working the lines at CFL games still, because of that connection we have to our lives before this, but especially the connection that I have with members serving and members who have served is something that I take to heart. And it's something that I can't get beyond.

I also want to point out, too, something that people should be aware of, that in the United States the incredible supports they have for their veterans is something that we can use as examples. The amounts of services that people say in North Dakota alone have, in a home to a wonderful US Air Force Reserve base in Grand Forks—the supports they have in North Dakota are incredible.

And so, this is something where, for this amendment, for people serving in the United States military, I almost wonder if they'd look at what we're doing and say, well, we'll just stay in North Dakota because of all those supports and try to get their citizenship there.

So the work needs to be ongoing. The work needs to enhance what we've already developed, and it's something where, by changing these laws, this is not the last time, I hope, that I can have something related to veteran preferential hire, but there's many other ways that we can support our veterans through legislation and understand that this is an ongoing conversation.

I hope to continue to have those conversations, and most importantly, if the member of the opposition, you know, will continue in our collaborative work, I hope this is something. We have three years until the next election. Let us not pretend like this is a, you know, one-and-done scenario. This is something where I'm going to continue on. I hope to work with members opposite on this because I know that it's important to have that collaborative work, as we've been able to do.

It's an interesting building, of course. Last week, we had some very real events happening, ones of security and importance where myself—it clicked in immediately: well, this is where the exit is; this is where we have to go. And it was very interesting for me, that reality, and all I could imagine is if we had some active serving reservists in our, you know, staff here at the building, well, I'm sure we'd have maybe even orderly pace. And for anyone who saw those first responders out on the lawn, there's a very good chance that some of them were veterans of our military, and maybe many others are also active serving reservists.

As I like to say, sometimes we're kind of everywhere, people in the military, people of that heritage. We find our ways to support every part of society, because when you sign unlimited liability to say the government can send me anywhere and I might not come back, you have a sense of service

that is unparalleled in what our world is. And in the service that we have for our civil service, the amount of work they have to do, I say that especially supporting it with veterans is what we can do to improve it.

Madam Speaker: Are there any further speakers?

Hon. Steven Fletcher (Assiniboia): I'd like to thank the Leader of the Opposition and the—and my frenemy—I mean my colleague, for raising this important issue.

I have a couple of concerns in regard to the comments—or why are we amending it to include simply US veterans? It would seem to me—and I would respectfully disagree with the Leader of the Opposition—our closest ally is actually the United Kingdom.

And over history and even today—[interjection]—we would—my colleague to my right says it's India, and what about other countries? Why would we just limit it to United States? And actually, for historic reasons, why we—if we're going to do something like this, it would seem prudent to include the other nations in the Five Eyes, which are Canada, United States plus Australia, UK and New Zealand. That would be appropriate.

If you go further than that, why not our NATO allies? If you go further than that, why not the entire Commonwealth? And if you go beyond that, why not other dual nation, dual national? Why not people who serve in China—China's military dual citizens? Or North Korea? Like, really, we've got to be careful about where we're going here.

United States—now, I'm going to pull out my geek factoid—facts. None of those countries have ever attacked us except the United States. The—in fact, there was a plan up until 1935 where the United States called code red, where they inferred a—or had plans to attack. Now, of course that's never going to happen, but it does illustrate strong historical differences between the two forces.

* (10:20)

But that was then, this is now. So I would be supportive of the amendment, but we—but at a minimum, if we're going to save the United States service members we should include the other members of the Five Eyes, and I will put for us to work perspective why this is important. Not only do we have our veterans who have fought with the British in the Boer War, the First World War, Second

World War, Korea. But in the First World War it was particularly poignant because not only did so many Canadians serve, Manitoba was the province that brought forward the most volunteers of any part of the country.

In the First World War we lost a huge number of souls, and the Americans were late to the show. They didn't enter the war until 1917, and until that point it wasn't even clear which side the US would enter in. People forget these historic bumps in the past. Now, again, that was then; this is now.

But we still have Korean veterans—and I'd like to remind the Chamber that Kapyong, a name that we are all familiar with, is a battle where Canadians, Australians and New Zealanders worked together against a surprise Chinese attack to prevent the fall of Seoul during the Korean War. Like, we fought not as separate nations, but, basically, as one because we are allies, we're historic allies.

Which reminds me that during the Battle of Gallipoli New Zealand and Australia—and now this is in the First World War—fought alongside about 800 Newfoundland soldiers from the Newfoundland colony. They were referred to us the purple petits, the purple socks, because that's all the colony could afford to dress the soldiers, and every single member that went to fight with the Australians and New Zealanders in that battle was killed.

Can you imagine that? Newfoundland has paid a high price so that historic bonds between Canada, Britain, Australia and New Zealand is made in—not only in law, but in blood. And I think we all recognize that tradition is important. We follow the British military system, and it would be appropriate to include the Five Eyes, countries which we all share the head of state.

We all have the same head of state. So it would be, actually, quite counterproductive to only limit inclusion of dual citizens from the United States when, in fact, there are probably at least as many dual citizens from Britain because of—remember, up until 1975 we were all British subjects, if my history is correct, though I may be incorrect, and I apologize if I am. But, in living memory, we certainly, as Canadians, had that legal distinction—so did the people of New Zealand and Australia.

Therefore, I wonder if it would not be appropriate to expand the amendment or not have the amendment at all, which is another rational thing,

as the US and the Canadian systems are very different when it comes to military tradition.

And, by the way, when it comes to supports for the veterans, I hope that the United States is not necessarily used as the best example in the world, because there are many, many shortcomings in the United States when it comes to care for their veterans. And, fortunately, we don't deal with those kind of issues to the extent that exists in the United States, perhaps because we're not in as many conflicts.

But the fact is our veterans do need support. But, if we're going to go the dual citizenship route, then let's do it with our closest ally, Britain, and our sister nations Australia and New Zealand, and why stop there?

So let's think about this, and there are some good reasons to stop. Famously, there was a Norwegian who was denied benefits. But people who are in the Commonwealth are—

Madam Speaker: The member's time has expired.

Hon. Jon Gerrard (River Heights): Madam Speaker, just a few words on this. I think it's a good amendment, and we will support the amendment.

I have some, well, concern about dealing with people from other countries. I think that if they were to meet the criteria of being dual citizens, if they were to meet the criteria of continuing to serve in reserve forces, if that country was an ally of ours in some form militarily, whether it is in Five Eyes or is it in NATO or it may be in an arrangement that we may have with countries like the Philippines, but I would suggest there are probably very few who would qualify in terms of having the criteria met that they were dual citizens, that they were continuing to serve in the reserve forces, other than those in the United States.

But I do think that if we accept the amendment that one of the things that would need to be put into place is some sort of a process where the credentials of these people could be certified so that you would be sure that they met the criteria, and, you know, having done that, if the government could put up, you know, some sort of a framework for certifying this and the government could find out if, in fact, there are others from other countries in the process and they could be considered to be included in the future. That might be an answer to that.

But I do think it would be important to have, you know, a proper process for ensuring that if you've got people from the United States that they meet the full criteria, and it would be much easier here in Canada to have people certified, I would expect.

But, with that proviso, we're ready to support this amendment.

* (10:30)

Madam Speaker: Are there any further speakers on debate?

Is it the pleasure of the House to adopt the amendment? *[Agreed]*

Mr. Andrew Micklefield (Rossmere): Madam Speaker, I wish to proceed if we could with a brief recess. We need to get some people into the House in order to see it to the—*[interjection]*

Oh, my mistake. I correct that. We wish to proceed with third reading of Bill 215.

Madam Speaker: Is there leave to proceed with concurrency and third reading of Bill 215? *[Agreed]*

CONCURRENCE AND THIRD READINGS— PUBLIC BILLS

Bill 215—The Civil Service Amendment Act (Employment Preference for Reservists with Active Service)

Mr. Nic Curry (Kildonan): I move, seconded by the member for St. Norbert (Mr. Reyes), that Bill 215, The Civil Service Amendment Act (Employment Preference for Reservists with Active Service), reported from Standing Committee on Private Bills and subsequently amended, be concurred in and be now read for a third time and passed.

Motion presented.

Mr. Curry: Madam Speaker, ullamh. That is the call of the Camerons. It means ready.

As was brought up by members here, during the First World War, the call was sent out and the Camerons responded. Between—the Second World War, the call ullamh was sent out again. The Camerons responded. Whether it be flood fighting, service on peacekeeping missions, combat in Afghanistan, the Camerons respond to the call. And since the Second World War, the Camerons have been a reserve regiment.

Of course, a different kind of war has happened across this world since then. No question that the

need for supporting our veterans has been always needed. Whether the conflict be operations of peacekeeping, whether it be in nation stability after horrible events, say like in Haiti when disaster relief was needed, whether it be in combat in static and non-static operations, these supports are incredibly necessary.

Whether it be in conflicts in Ukraine—I had the pleasure this weekend. Some members who were on their leave from the conflict happening in eastern Europe—them not stationed in Ukraine, but speaking with them about that conflict again. Not something you'd typically see as something. When we think of warfare, we don't think of social media being an important tool. Of course, it is though in this new kind of war that we are facing.

And so when we have these wars, the call to service is sent out, and many reservists, many Camerons answer that call. Ullamh.

But before I get too far into it, I'm a very proud father. I must make in my statements that Sophia Elvira Curry was born six months ago today, on April 10th. She has a strong, tough neck like her dad and an appetite for food like the whole family. And she had a great Thanksgiving Day weekend, passed around from person to person. And she enjoyed every moment of it. For some reason, she's still not enjoying sleep, but both her dad and mom do, and so I'm sure she'll learn eventually.

But it's these kind of important things that really remind me that, when many of my friends were serving outside of Canada, myself especially when I was in an injured state on crutches, you feel quite—sometimes useless when you can't necessarily be on the fronts, there. But at one point I was able to chat with a friend of mine—his son. And he was at an event with our regiments and it was a great opportunity where I had—he had a lot of questions about where his dad was and those kind of concerns, and of course regular things that we have when parents are away. And I feel them when I'm away just here in this building a mere 15 minutes from my daughter. But when my friend was 15 hours away by the time lapse and many, many days away from the travel, these kind of concerns are important.

And, when people come back from these conflicts, we want them to continue to serve. The most important thing, even in the year and a half since I brought forward this idea to my colleagues, when we discussed, and I asked, hey, do you think this would be a great bill for a young person to bring

forward, and many of the people, I have to say, very happy with the member for St. Paul (Mr. Schuler), who was very supportive and told me, Nic, this is—or, correction—this is the one for you, this is something where I'm very happy, because in that short time, that year and a half, we have had so many changes to the global political landscape.

We have had now fears—a member mentioned something about a country known as North Korea are posturing perhaps violent action. Of course, members of the Camerons, members of the Canadian reserves, fought in the Korean conflict, a war that technically is still ongoing with only a ceasefire holding back any further things, any further action.

Now, if, say, that were to happen, I know for sure that reservists would be—to answer the call. But in that year and a half, another unfortunate situation has transpired, that retention of our military has been in disrepair in some ways. We've needed better supports of how we can keep people serving in the military.

Today is World Mental Health Day and we have many people from our military who suffer from the invisible wounds of combat, suffer from the problems of coming home but never really being back. And, so, in light of World Mental Health Day, it's something to remember that many of our soldiers, although fit and healthy mentally, are not maybe able to serve overseas, and something that is being discussed now in our Canadian Forces is the idea of having members pass on the universality of service, and not necessarily be able to serve overseas, but continue to serve here in Canada in supportive roles in the military, whether it be in training, recruiting, administration.

And it brings to light, when I hear this from the Chief of Defence Staff, I can only imagine he must—paying attention to Manitoba politics, because that is the very spirit of what this amendment is trying to do, is to keep people serving in as many capacities as possible, and by allowing them to serve in the reserves and continue to benefit from veterans' preference, that's what we do. We maintain and we bolster retention in our Forces by having this kind of legislation.

I can't stress enough how important it is to find as many tools as possible to keep our soldiers in the military but, more importantly, keep them employed and active in our society. Too often we have the pains of people having a negative favour towards employing military veterans, but we need to find

ways to improve that. And this is something where, in line with comments that the chief of defence staff has made about retention, this is a bill that goes hand in hand with that. How can we find ways to keep people in the military, keep them actively serving, keep them productive, in not just a job for the sake of a job, but keep them adding on to the ability for us to be operational if need be, but not necessarily send every person over.

Something that's very important as well is that I have made comment that there are ways to improve it, but I would like to see that this is something where we can continue to find ways, examples across Canada. I know New Brunswick treats veterans' preference with simply serving, not necessarily having to serve operational, but serving here in Canada; I think something that we can look into, it's something I will be looking into. And, again, I hope we can reach across and again find partisan–non-partisan ways of how we can enhance this type of legislation.

So this is something I look forward to speaking with my colleagues about what these supports we can do to improve our ability to find a way that the stigma of service that some people unfortunately have is no longer a stigma, that we shouldn't be even having that conversation whether or not it's good to hire a veteran or whether or not there's added benefits. It should be obvious. But unfortunately we do have to have that conversation. I'm happy to have it. I'm happy to continue having that. I'm happy to continue reaching out to people on how we can find ways to reinforce that having reservists who have served outside of Canada, work in our court system, work in our conservation system, work in even health, especially.

One thing that I always like to talk about when we're talking about health, especially these days, is we have some of the best paramedics in the world, and it's not simply because of the training they get here in Winnipeg and other parts of Manitoba, and across Canada; the training we get our paramedics is amazing. But our paramedics also are often veterans. Many of them are medics who serve in the Armed Forces reserve, many I've served with all the time, where their skills as having been overseas, when they get to Winnipeg—unfortunately sometimes they see something very similar—but that experience, how can we even put a value on that? That's what we want our paramedics to be able to do: the ability to be in a situation, assess it and have the experience of having seen that exact situation or something similar in a

conflict zone. This is what we want. We want to have as many of our assets that we have in our civil service have extra experience. And, again, it's almost as if we should be paying extra. But it—we're simply trying to enforce that by being a veteran and continuing to serve in the reserves, that value needs to be recognized; it needs to be enshrined in law.

*(10:40)

And I'm so happy that we're about to vote, and I hope we have unanimous support that we vote this law into effect.

Thank you, Madam Speaker.

Mr. Andrew Swan (Minto): I want to thank the member for Kildonan (Mr. Curry) for bringing this bill forward. I also want to thank our new leader, the Leader of the Opposition, the member for Fort Rouge (Mr. Kinew), for a thoughtful amendment to the bill. And I understand there were some productive discussions at committee and since that time, which is a way that sometimes things can work in this Legislature to make things better, and I think we speak with one voice when it comes to making things better for those who choose to serve in our Canadian Forces.

Currently, under The Civil Service Act, employment preference is given to veterans of the regular service. This bill will extend that preference to include reservists who serve with the Canadian Forces, who are in active service or who have had active service. This would also now, with the amendment, apply to those with dual citizenship or those who are able to use the provisions of the Jay's Treaty and serve in the United States forces in active service.

Our NDP caucus supports military in Manitoba and supports its current members and our veterans and the services they receive. And we are proud to stand as one voice here in the Legislature for our military and our veterans and their services.

We support this bill, and we do that because we know the military's played an important role, past and present, in Manitoba. We owe a tremendous debt of gratitude to the brave men and women who put their lives at risk for the rights and freedoms we enjoy here in Canada.

We believe in giving back to military families when they've given so much to us in their dedicated service and sacrifice. Our New Democratic caucus also believes in the public service. Our NDP team

believes in a professional and diverse public service that reflects the diversity of Manitoba, a public service that reflects the face of Manitobans. And, certainly, we believe and we welcome that it's very useful to have the different experiences and perspectives and perhaps the discipline that former members of the armed forces bring to our civil service here in Manitoba.

So there're a number of things that have been done by—I believe by unanimous consent in this Legislature which have made things better for the military and their families, and I think it's helpful just to talk about those things. The member for Kildonan talks about maybe take another look at other things we can do. I heard the member for Assiniboia (Mr. Fletcher) talk about wanting to look for other things that can be done, and our NDP caucus will certainly be prepared to continue that work.

Sometimes those issues only come about because of a conversation over a coffee at the Military Family Resource Centre, or when we all go back to our communities for Remembrance Day services. Somebody asks the question, why don't we do this? And, as legislators, sometimes we don't have the answer. It may be because nobody's ever asked the question. Nobody's ever raised the issue. There may be an issue that's affecting those serving in the military or their families that nobody has ever actually identified to us as legislators, and I hope this will be a continuation of efforts to continue to make things better for those who serve.

It was some time ago that our former government introduced new measures to make it easier for military personnel to transition to civilian employment.

Many, many individuals serving in the military have a trade. And until recently, that trade, although incredibly useful for work in the military, was in a silo, and there was no easy means for that person's skills and ability to translate into working in the private sector.

And we changed that, and we now allow those who have served in the military who have a trade to obtain Red Seal certification into civilian trades free of charge because of the training experience that these individuals have necessary to work in the trades.

And I think it was because nobody had ever really asked the question. And I know, at the time, I was the minister responsible for the apprenticeship

program and also the minister responsible for economic growth in Manitoba. And, when I would talk to people in the military and say, you know, we know that so many of your members travel all across the country. You may be stationed in New Brunswick. You may be sent out to Alberta. You may be in Ontario. When you finish your military career, wherever in this country you're from, we want you to stay here in Manitoba. And many individuals in the military had said that was the first time they'd ever heard a provincial politician actually voice the fact that we want people, when they leave the military, to stay here in Manitoba.

And even though this bill relates to those in the reserves, I believe there is an element of that that is one more way that, as a government, we can make it clear to individuals that they are more than welcome, after their military career ends, to stay, to locate, perhaps bring their families, put down roots here in Manitoba.

One of the things that we heard about was how stressful it can be for a new military family in Manitoba to find a family doctor, and that we brought in changes so that it would be much more easy for military families to find a family doctor when they come to the province. And many times all it took was a family doctor holding a space if a military family's being transferred elsewhere.

And instead of that space simply being lost, it was agreed by family doctors here in Manitoba, by our government, and by the military that it made sense to preserve that spot, which is one less thing for a military family to worry about when they arrive and have to sort out so many new things in their lives.

We also, of course, created the Special Envoy for Military Affairs position now being filled by the member for St. Norbert (Mr. Reyes), and it is a position that supports and works with the military community in the province on issues of importance for those serving the military and their families, and we thought that by formalizing this position it would ensure that the voices of military families are heard, and I do know that the member for St. Norbert is working hard in that position and we continue to offer him whatever support we can to bringing forward those issues on behalf of families.

Our government had also extended the right to vote in provincial elections to Armed Forces personnel serving outside of Manitoba because we thought that not losing your vote because you're

serving your country does not seem like an appropriate thing.

In 2011, our NDP government introduced legislation that allows military personnel to end their rental agreements before they expire if they're deployed in military service without penalty or needing to find a sub-tenant to take over the remainder of the lease.

We know that as things change around the world, military personnel, including reservists, may need to relocate quickly to best serve our country, and while ultimately we know that Canadian Forces would reimburse them for money lost, it was agreed by everyone that this legislation would be far more efficient and personnel would not have to pay the cost of getting out of a lease out of their own pockets.

In June 2007, as I know the member for Kildonan (Mr. Curry) is aware, we enacted legislation to ensure that we protect reservists' civilian jobs and benefits when they take a leave of absence to serve their country. We know, back at 10 years ago, the good employers would always hold that position for those serving in the reserves who are going to be heading overseas, but we decided it was better to have a level playing field and protect the jobs for everyone serving in the reserves to make sure their jobs were there when their service is completed.

We also took steps long ago to enact legislation to ensure that Manitoba military personnel and their families could retain their Manitoba drivers licence while serving in other countries and even keep earning merit points for good driving as if they'd renewed on time because, again, when people's time in the military is done, we want them to stay here, and having a lot of merits and having among the lowest auto insurance costs in the country is certainly something that could be a benefit.

We also created a new tax exemption for military personnel. We exempted employment income earned up to certain limits by military personnel serving on high-risk deployed operational missions outside Canada from income tax.

So there's been a lot of steps that have been taken and I know I can talk about the positive things our government did. I do believe that the then-opposition Progressive Conservatives were supportive of each of these measures, and if there are good ideas coming forward that can make things

easier for our military personnel and their families, as an NDP caucus we will do everything we can to support those changes and make things better.

The member for Kildonan (Mr. Curry) very briefly, of course, mentioned the Minto Armouries. That is what the Minto constituency is named for, because Minto Street is far from an impressive street, although there's many good people living on it. I have many young people in the community that go to Minto Armouries, many right now for cadets, but we also want them to consider going into the reserves and to serve in a reserve unit. It is a great way for young people to gain skills, to gain confidence, to gain discipline, and we want that to continue, and I hope this bill will make it just a little bit easier to make that case.

* (10:50)

Of course, many of these young people going into the reserves are also planning to go onto college or university. So I hope the member for Kildonan, as he stands up here with sincerity and passion, will be equally sincere and equally passionate in his own caucus room when he tries to convince the Premier (Mr. Pallister) to make sure that university and college tuition remains affordable for some of the very people that he'll be seeing at Minto armouries or McGregor armouries, or wherever he may happen to be.

So we support this bill. Thank you to the member for Kildonan and to the member for Fort Rouge (Mr. Kinew). We look forward to this bill passing today.

Thank you, Madam Speaker.

Mr. Scott Johnston (St. James): I am very pleased to speak very briefly to this bill. I am very proud today to rise in this Chamber to speak on behalf of this important legislation.

I would like to recognize the service of my colleagues and thank them for their efforts that they have made in the name of their country and of the understanding of this bill.

Madam Speaker, the member of Kildonan served with distinction in the Canadian Forces in eight provinces and territories, including responding to the flood of 2011 as part of Operation LENTUS.

The member for St. Norbert (Mr. Reyes), our government's military envoy, served for 10 years in the Canadian Forces, including five years with the

Royal Canadian Navy. He served on the HMCS Winnipeg.

Madam Speaker, I thank them for their service and their insight on this bill that we are contemplating today.

Ms. Judy Klassen (Kewatinook): I stood up to the right amendment this time.

We are fast approaching Remembrance Day, where we pay tribute to the many members of our Canadian Armed Forces who have played critical roles in the safety, defence and security of our country and our people.

While we owe much to the services of those who have served abroad, we must also recognize the critical role played by the reservists in our country. Like all other—any military personnel, they have served admirably when called to duty and have provided much-needed support in times of crisis in our country, saving and aiding many throughout our great nation.

From serving in times of natural disaster to providing security and participating in cultural events, our reservists have been called upon to perform a wide variety of tasks. Reservists have always been proud of their work and service to our province and country. Their dedication, resolve and commitment to the beliefs and core identity of what it means to be a member of the Canadian Armed Forces is no less than any other soldier, and deserves to be recognized as such.

However, these brave people do not currently enjoy the same status as their activity-duty brethren. While many veterans receive preferential hiring benefits when applying to the civil service, the same cannot be said about the reservists. To extend this benefit to those who have served our country is only the fair thing to do, and one greater step forward in paying recognition to the work that they have done. Those who have served our country deserve this, and much more.

I would also like to take this moment to thank the military personnel who aided in our recent wildfire evacuation in the Island Lake area. We are always happy to support initiatives that provide greater support to not only veterans of active service, but to those who were reservists, as well.

Miigwech, Madam Speaker.

Hon. Steven Fletcher (Assiniboia): I'd like to thank all those who are participating in this debate.

I listened with particular interest to the member for Minto (Mr. Swan). And he outlined a lot of initiatives, which were fine, and listening to other comments throughout the Chamber about creating opportunity for people who have served.

Madam Speaker, 17 Wing is in my riding. This is the Canadian headquarters for Canadian air division one, Canadian air division two, 453 squadron—no, 435 Squadron. And it is, in many ways, the heartbeat of St. James and provides protection for the central part of North America. The Northern headquarters of NORAD are actually in St. James and there are Americans stationed there all the time, as there are from other nations like New Zealand and Australia.

But with the good intentions of this bill—and I've already mentioned the importance of including our strongest allies, our historic allies are Britain, Australia, New Zealand, other members of the Five Eyes and members of our joint alliances. But if—I want to remind this Chamber and the member for Minto that opportunity in this province doesn't just lie in the civil service.

If we really want to encourage veterans to stay and live in Manitoba we need to have the opportunity for them to do that, and that opportunity does not necessarily have to be in government; it can be in the private sector. I know some people don't like that term, but the fact is that's how the public sector is funded.

So if we want to create opportunities for our veterans, it's best to have a structure where economic growth is possible. So this includes a lower tax regime that's competitive. It includes services that are effective and efficient front-line services. It does not include the longest wait times for emergency wards. It does not include the highest or—to me—the lowest results of public schools in the three R's. These are things that do not create opportunity, do not attract servicemen and women to Manitoba after they serve.

We need to improve our education system. We need to improve our tax system. We need to improve the business environment so that businesses will come to Manitoba and invest, create jobs, create opportunities for our men and women of service. And by the way, the member did say that the skill set of the men and women who serve is unique and profound and very helpful to anyone who would desire to hire those individuals.

So, yes, let's make changes to the amendment to the act to allow for veterans to join the *[inaudible]* But even a better solution is to create jobs, opportunity and a community to allow people to live. Life is just not about jobs, it's about health and education and economic growth. I—*[interjection]*

Point of Order

Madam Speaker: The honourable member for Rossmere, on a point of order.

Mr. Andrew Micklefield (Rossmere): I'm wondering if you could canvass the House to see if there is agreement to vote on the bill currently under consideration.

Madam Speaker: I would point out that the member does not have a point of order.

* * *

Madam Speaker: There has been a member speaking on debate.

Mr. Fletcher: Thank you, Madam Speaker.

* (11:00)

I see the clock—

Madam Speaker: Order, please.

When this matter is again before the House, the honourable member will have four minutes remaining.

RESOLUTIONS

Res. 21—Withdrawal of the Federal Government's Proposal on Tax Planning Using Private Corporations

Madam Speaker: The hour is now 11 a.m., and time for private members' resolutions.

The resolution before us this morning is the resolution on Withdrawal of the Federal Government's Proposal on Tax Planning Using Private Corporations.

Mr. Reg Helwer (Brandon West): I move, seconded by the MLA for Morris,

WHEREAS Manitoba is home to more than 50,000 small businesses that employ over 275,000 Manitobans; and

WHEREAS Manitoba's small business owners and their families are the backbone of the provincial economy that take risks and incur debts to innovate, grow their businesses and move Manitoba forward; and

WHEREAS the basic structure of the existing tax system for small businesses has been in place since 1972; and

WHEREAS the Federal Government proposed a complex and poorly conceived overhaul of Canada's tax system that will dramatically increase taxes paid by smaller corporations by taxing their savings and penalizing a family that passes a business on from one generation to another; and

WHEREAS these changes will significantly increase the administrative burden and red tape headaches for small businesses to comply with the tax system; and

WHEREAS these changes will negatively impact the ability of small businesses to grow and create jobs; and

WHEREAS these changes target middle-class small business owners and their families rather than individuals who take unfair advantage of the tax system; and

WHEREAS this proposal was developed unilaterally by the Federal Government without consultation with the Provincial Government who will see significant change to its provincial tax code due to the longstanding Canada-Manitoba Tax Collection Agreement.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal government to withdraw its proposal entitled Tax Planning Using Private Corporations to allow time for additional research into the economic and financial impact of changes to the tax treatment of Canada's small businesses and meaningful consultation with impacted stakeholders on any future change to the federal tax treatment of small businesses and federal, provincial, territorial finance ministers.

Madam Speaker: It has been moved by the honourable member for Brandon West (Mr. Helwer), seconded by the honourable member for Morris (Mr. Martin),

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal government to withdraw its proposal entitled Tax

Planning Using Private Corporations to allow time for additional research into the economic and financial impact of changes to the tax treatment of Canada's small businesses and meaningful consultation with impacted stakeholders on any future change to the federal tax treatment of small businesses and federal, provincial, territorial finance ministers.

Mr. Helwer: Thank you, Madam Speaker. I'm pleased to rise to speak to this resolution today. It is something that is near and dear to my heart, as I still continue to be in business. Even though I function as an MLA, I get to see little bits of business, sign off on the bank loan and those types of things. And it's all a very little snapshot that I see these days.

Mr. Doyle Pivniuk, Deputy Speaker, in the Chair

But this is something that over the past several months has attracted the most attention from friends and colleagues, business people, students—an unbelievable amount, Mr. Deputy Speaker.

It is something that perhaps people speak to me because they know that I am in business. But I know many of my colleagues have also been inundated from people around Manitoba and, indeed, across Canada on the government—the federal government's approach to tax planning.

I'm not sure what it is that is most onerous about this particular proposed legislation, but there are several facets to it that we discover each and every day. I mean, from speaking to some small business owners that—they are offended, of course, incensed that the federal government has made them out to be criminals. They've implied that small business is doing something illegal when they have been following the tax code that is set out in the legislation and that CRA administers and enforces.

These are the rules by which we operate business, by which we pay tax and by which we plan in small business for the future of our companies and our families. These are all rules that have been there for many, many years, and all business is doing is following them.

Somehow, though, the Prime Minister and the federal Minister of Finance seems to imply—in fact, has said several times—that businesses that are following current law are somehow doing something wrong. That they're breaking the law. We know, of course, that that is not true until the law is changed.

So the proposals there to change the law and change the tax rules are, again, something that

incenses small business and their staff, Mr. Deputy Speaker, because this will have an impact not only on the business, but on who you hire, how you employ them, can you expand your business, can you hire more people. And when business is faced with uncertainty, they tend to stop hiring, they tend to stop expansion. So those are some of the many things that we see that are issues here.

You know, I—as I was at a Navratri celebration this last weekend, even there many of the Hindu community came up to me to talk about how upsetting these tax changes were on the federal side, how much uncertainty they created for these immigrants that—some of them are new, some of them have started businesses.

And they thought that Manitoba was a much more stable environment from—than where they came from. But now they're seeing that the government can go back and change tax law, retroactively impact their business and negatively impact their family.

Even speaking to a group of students in the business school in ACC, business and HR students, it was one of the questions they brought up: How will this impact us? How will this impact if we want to start a small business? How will this impact us if we want to go work for a business? Will those job opportunities still be there? Again, the uncertainty.

So, we tried to figure out amongst a group of us how we could attract the government's attention, and I know that the Finance Minister has walked back a few things. They've talked that, perhaps, this won't apply to farms, that maybe they're going to exclude them. It's not certain. But one of my very good friends suggested, you know, what if we talked about withdrawing the services that business provides to Canada for one day?

So let's think of that, Mr. Deputy Speaker. What if business withdrew its services to Canadians for one day? I know the union members do this through strikes. It's not something that business tends to do because we're there to make money and employ people and provide services and goods, but what if you did?

So let's look at some of the things around Canada that are impacted by small business: our highways would be very quiet; transportation services would virtually cease on our highways; and what's the impact of that? Not just the people that operate the vehicles, but transportation to hospitals, transportation to other areas, so all the goods and

services that you use in the medical side you might not get them today. Food transportation, would your local grocery store be stocked after a long weekend of Thanksgiving where everybody celebrated with their families, hopefully, and friends? They need to restock their houses for food. Maybe you need another turkey. But if you go to the grocery store, if those services are withdrawn, will the store be open? Will they have stock that will be transported?

An Honourable Member: What kind of business model is that?

Mr. Helwer: Obviously, one that the member doesn't understand.

Well, let's think about some other things.

So if small business withdrew its services, its goods, its—for one day, well, how about those Jets? Maybe the Jets wouldn't play tonight. How about those Bombers? Maybe the Bombers wouldn't play—and the world champion Goldeyes, congratulations to them for their success.

Maybe they wouldn't play so you wouldn't be able to go watch those types of things—impact on mining, impact on families, impact all across Canada in ways that people would not expect, Mr. Deputy Speaker.

And I think that that's one of the things that business is most concerned about is a lot of these impacts are unknown. It's floated out there by the federal government with a very short consultation period, and each and every time we look and review the proposals, we find something new.

Speaking to charities just last week, they're concerned that this would have an effect on what they're able to receive as a charitable donation. If someone were to donate a security, a stock, usually what happens is the growth in that stock is not taxed in the hands of the donor, and because the charitable—the charity is not taxable there is no tax paid on that growth.

So, now, if you read these rules, it may be the case that if an individual were to donate a stock to a charity, they would have to pay tax on that deemed growth and, as a result, a reduction in what would go to the charities, Mr. Deputy Speaker.

So a wide gamut of how this will negatively impact businesses and growth in our economy, Mr. Deputy Speaker, a very dangerous precedent, I think, when we're looking at changing tax law that is retroactive as the federal government has suggested

it could be. So I would like to see them take a breather on this and perhaps reflect, do some proper consultation and—so that businesses can do some more proper planning.

Thank you, Mr. Deputy Speaker.

Questions

Mr. Deputy Speaker: A question period up to 10 minutes will be held and any questions may be addressed in the following sequence: the first question may be asked by a member from another party; any subsequent questions must follow a rotation between parties; each independent member may ask one question and no questions or answers shall exceed 45 seconds.

* (11:10)

Mr. James Allum (Fort Garry-Riverview): I want to thank the member for Brandon West for bringing this resolution to the floor of the House today. I have no doubt that he and all members of the House have heard quite a bit about it.

But I want to ask him, to begin with, has he reached out and talked to a federal MP in Manitoba about this issue? Has the Finance Minister talked with the federal Finance Minister? What, exactly, has he done to address the issue other than grandstanding on it, Mr. Deputy Speaker?

Mr. Reg Helwer (Brandon West): Indeed, we've had communications with the federal government, Mr. Deputy Speaker. I speak regularly with my local MP, Mr. Larry Maguire. He is concerned about this issue as well and has been having local town halls about it. I know they have been inundated with responses from local community on things that they would like to see.

I spoke to the Leader of the Official Opposition (Mr. Kinew) not that long ago and it is something that they are very concerned about in trying to catch the attention of the federal Finance Minister and the Prime Minister so that they can make changes to this.

Mr. Shannon Martin (Morris): I wonder if my colleague, the member for Brandon West, can tell us what kind of analysis tax professionals have indicated will result from the changes—from the federal government's plan on tax planning using private corporations.

Mr. Helwer: And thank you to the member for the question. There's been a great deal of analysis done on this, on something that is a moving target. As I

mentioned, when we speak to tax planners and they look at the possibilities of the impact on small business, it sometimes comes out as high as a 70 to 75 per cent taxable requirement for small business. That is very onerous on small business. If you look at it on a calendar near-year now, that would mean that at this point of the calendar year you would only start working for yourself. The previous several months would be working for the federal government and that's not, indeed, fair, Mr. Deputy Speaker, that you could be taxed as much as a 75 per cent rate—

Mr. Deputy Speaker: The honourable member's time is up.

Mr. Allum: Mr. Deputy Speaker, the member talks about tax fairness, yet doesn't really raise the issue of the Premier (Mr. Pallister) contemplating a health-care premium here in Manitoba.

So, could the member tell us whether a health-care premium would support or hinder entrepreneurs in Manitoba?

Mr. Helwer: Well, it's indeed interesting that the member would try and divert to something provincial as opposed to the federal one we're talking here. Perhaps we could talk about his leader who, under the current Stats Can that came out, he is among the 1 per cent of Canadians and he would be very heavily impacted by these federal tax rules, so perhaps that's the member that the other member should be speaking to, Mr. Deputy Speaker.

This is about the federal tax changes and that's what we're speaking to; that's what we want to draw the attention to, Mr. Deputy Speaker.

Mr. Greg Nesbitt (Riding Mountain): Can my colleague from Brandon West tell us what the federal government has not taken into account with these changes?

Mr. Helwer: Well, I think that they just really don't understand how business works, Mr. Deputy Speaker. They seem to think that there is this pot of money that's sitting in all businesses that is just ready to pay federal taxes, and we know that that is one way that businesses save for expansion. They save for the future. That can be their retirement package, because you don't have a pension in small business.

Those are ways that you deal with maternity leave for business owners and those are ways that you deal with even paternity leave, because those things are not available to small business owners. I

know for myself I had no access to employment insurance—

Mr. Deputy Speaker: The honourable member's time is up.

Hon. Jon Gerrard (River Heights): My question relates to the—what's called income sprinkling. I think that everybody recognizes that it is really important to be able to pay family members who work in the family small business, and that that is a really critical part to preserve.

But, under the previous provisions, sometimes there were family members who were not working in the business who received income directly from the business.

Does the member of the Legislature for Brandon West agree that there should be changes so that people who are in a family who are not working in the business should not necessarily be allowed to have—

Mr. Deputy Speaker: The honourable member's time is up.

Mr. Helwer: Well, 'incun' sprinkling in itself is a term that the Finance Minister, the federal finance minister—Finance Minister seems to have come up with, and it is, in my mind, and most business owners, an offensive term. Income sharing has been legal, is still legal under CRA and I'd be interested to know if the member thinks that we should make pension sharing illegal on income sharing; that's something that will continue to be legal. If someone works and has a pension, they can share it with their spouse; that's fine. And that's not called income sprinkling, but he doesn't want to see business owners share their income with their family members. You know, as a—growing up in a business family it was always the topic of conversation at the table—

Mr. Deputy Speaker: Honourable member's time is up.

Mr. Allum: Some kind of dinner at their house, Mr. Deputy Speaker.

I asked the member before if health—Premier's (Mr. Pallister) proposed health-care premium would support or hinder entrepreneurs in Manitoba. Course he didn't ask. He didn't have an answer. So let me ask him again: Will the Premier's proposed health-care tax apply to small-business owners?

Mr. Helwer: Well, again, typical misdirection on the point of the NDP. We saw this time and again when they were in government where they tried to move the ball so that people would pay attention to something else. We were speaking on federal tax changes, Mr. Deputy Speaker, and the potential impact they would have on businesses, the potential that they would have to restrict and reduce expansion of those businesses and employment not just in Manitoba but all across Canada.

Mr. Brad Michaleski (Dauphin): I want to thank the member and my colleague from Brandon West for bringing this very important resolution to the floor. Small business, agriculture, there's a lot of people that are going to be affected by these changes and it is very, very important that consultations take place properly.

So I would ask this—my colleague: Have the Trudeau government's consultations and proposals been respectful to small-business owners?

Mr. Helwer: Well, in a word, no, not just because of the compressed time frame that the consultations took place over and the limited scope of those consultations, but also that they occurred—as the member said, he mentioned the farm sector, the ag sector—during harvest.

And we know that when you're harvesting you have a very narrow window of when you have an opportunity to get that crop off depending on the weather and you're not going to take time to go and—go to a consultation or even respond to the federal minister when you are out there in the field taking that soybean crop off, taking that wheat crop off.

That is the most important thing. You don't have time to think about the tax ramifications, Mr. Deputy Speaker.

Mr. Allum: You know, we in the NDP support tax fairness and we're not sure whether the government does at the same time. So can the member tell us whether he and his government support tax fairness by 'ensuring' fairness in taxation for stock options and large estates?

Mr. Helwer: Well, those are things that you need to talk to the federal minister about and they are at the top 1 per cent, Mr. Deputy Speaker, the one-percenter that the Leader of the Official Opposition (Mr. Kinew) seems to be in that realm, according to Stats Canada.

You know, we don't have stock options in small business. Those are public corporation interests that usually have those issues. So I'd encourage him to speak to the federal minister about that.

Mr. Martin: Can the—my honourable colleague share with the House the time frame as to when these changes or when this—the current rules were put into place, given that the federal government is now trying to portray small-business owners and farmers and such as taking advantage of so-called tax loopholes?

Mr. Helwer: Well, we seem to understand that these rules are retroactive, although the federal Finance Minister tries to say that they're not. If there were anything in—was anything in place as of, I believe, July 18th, then that's where you're stuck. I—we have, as you know, doctors that have been complaining and talking to us about rules that were put in place that will impact them going back into January 1st.

* (11:20)

So retroactive tax changes, Mr. Deputy Speaker, don't seem to work well, and there is a lot of nebulous aspects to this because the federal Finance Minister seems to keep changing the dates on when they're effective and when they might be effective. It's unfortunate that he doesn't seem to have a firm date there or that he will plan forward as opposed to plan backward to reduce the impact on small business. It's very unfortunate when we see different times and different dates—

Debate

Mr. Deputy Speaker: Time for question period has expired. The debate is open. Any Speakers?

Mr. Wab Kinew (Leader of the Official Opposition): So I am in favour of tax fairness, and, on a personal level, I am, you know, committed to paying my fair share.

I have been hearing a lot about this issue over the past few weeks that it's really been a part of the national political conversation, and I think it's an interesting issue. I think that the resolution brought forward here today, it actually shares one element of the federal Liberals' tax plan in that it's interesting what is left out. It's interesting what is left out of this resolution. It's also interesting is what is left out of the proposals that the federal Liberal Finance Minister has been floating in front of Canadians this last little while.

So, when we look at the federal government's proposal, they, in their discussion paper, which is a very large document—and I would say that for the average small-business owner, the average Canadian, trying to understand this issue and, in particular, you know, if somebody is, you know, harvesting right now, that this is a very dense document. And it would be difficult to find the time to sort through all the myriad issues that are raised in it.

But there's three main proposals that the federal Finance Minister floats in this document—essentially asking whether they might bring to an end so-called income sprinkling, also whether they would bring to an end the ability for business owners to make passive investments through corporations that they hold. And also, they muse about bringing to an end capital-gains-type payments that corporation owners might make to themselves.

Now what's interesting, to me, is what the federal Liberal Finance Minister and the federal Liberal Prime Minister are leaving out of these proposed changes. Specifically, there's no part of the discussion paper that calls for an estate tax or an inheritance tax in Canada, and there's also no part of the discussion paper that contemplates closing what is called the stock-option loophole, both of which are financial tools which are used predominantly by the super rich in our country to defray their potential tax burden.

Now I say it's interesting that these two items, the estate tax and the stock-option loophole, are left out, because it seems, at least from my vantage point here in Winnipeg, that these are two tax measures that have been used personally by the Prime Minister and by the federal Liberal Finance Minister.

We know that the Prime Minister inherited a large part of his wealth, and so it definitely seems interesting that there's no contemplation of taxing people who inherit their wealth, as the Prime Minister did, in the federal discussion paper.

And so I think that begs the question: Is that fair that we would be asking small businesses owners, medium-size business owners to adjust to a new take on tax fairness but that people who are in a position similar to one that the Prime Minister found himself in when he was younger, they are not being called to adjust to a new reality of tax fairness?

And we also know that prior to becoming the federal Finance Minister, that Mr. Morneau was a very successful business man on Bay Street and that

he and others in that industry do take advantage of the stock-option loophole, which allows them to vest stock options without, you know, paying the same sort of income that anyone else would have were they to encounter such a large windfall.

So, again, in this discussion of tax fairness, the question seems to be begged of the Liberal Finance Minister. Is that fair, as well, to be asking small- and medium-sized-business owners to adjust to a new tax regime, while not asking the same of people on Bay Street who may find themselves in a position similar to one that the Finance Minister found himself before he entered federal politics?

Now I noted that there's a parallel, because, in the resolution that we are being called on to debate this morning, there similarly is no discussion of tax measures like this or others which may extend the notion of tax fairness to what we may call the super rich in our country, so those with incomes annually of millions or even tens of millions of dollars per year.

And so it seems to me that if we were to talk about tax fairness in this country, then we should, of course, recognize the important role that small-business owners have in creating jobs and driving our economy in this province. But, in the name of tax fairness, we should also ask that the most successful among us contribute their fair share as well.

And I know that it looks as though that you're going to get a tear in your eye as I make this point, Mr. Deputy Speaker. I think we're—you know, we share a lot in terms of views of the world. And, hopefully, we can come to some mutual understanding on this.

Now the reason this issue is, I believe, attracting such attention in media and just sort of, like the coffee-shop talk, and definitely in the, you know, circles of those people affected by these small-business owners, doctors, farmers and others is because it does raise the prospect of fairness. Are we all being asked to contribute to the same extent? Are we all being asked to contribute our fair share?

And I think that, you know, for the most part, everyone is on the same page, that we all should be asked to contribute our fair share. However, there is another issue lurking in the background of this debate, which is the broader question of income inequality in modern capitalist society and how

might we improve our society by reducing income inequality.

Now we have seen, over the past decade, the erosion of the middle class, not just in Canada but also in the United States of America, and we see that this creates stark, stark repercussions.

In the Middle East, the decline of employment opportunities for young people was one of the preconditions which led to the Arab Spring, which has, you know, produced very uneven results in those countries in terms of advancing democracy or advancing opportunity, to say nothing of the lives which have been lost in places like Syria or in Libya. So that's very concerning.

But, even when we look to the south—our southern neighbour the United States of America, the election of Donald Trump last year and the surprising popularity of Bernie Sanders during the democratic primary speaks to the fact that income inequality, being left unchecked, has caused great ripples through North American society, and it seems as though those sorts of waves are starting to be felt in Canada as well.

Now the reason it's relevant to this discussion is because the economist Thomas Piketty tells us that income inequality has grown across, you know, western countries over the past two centuries because there is a difference in the rate of return on capital and the rate of return on wages.

So, essentially, that those who derive their income from capital have a slightly higher rate of return than those who go to work and earn their pay by earning a wage. And though that difference may be very small within year, when you compound that difference over centuries, it produces a very stark difference.

Now returning to the issue of tax fairness here—if we allow one group such as those taking advantage of stock-option loopholes to be able to get away from contributing their same share, we can see that over the decades, that that will result in an accumulation of wealth amongst the richest people in our country at the expense of those—the majority of which in our country are earning their income from wages.

And, while this strikes to the heart of the conversation of tax fairness, Mr. Deputy Speaker, it should also suggest to us that this discussion about taxation and how we might each contribute our fair share also raises the prospect of how we might seek to design our society in such a way that the economic

conditions advance stability and health and well-being for everyone in our society.

* (11:30)

So, again, I think that the federal Liberals are missing a good part of the discussion here, but I would encourage—

Mr. Deputy Speaker: The honourable member's time is up.

Hon. Cameron Friesen (Minister of Finance): I welcome the opportunity to speak briefly this morning on this important resolution before the Legislature today. I know that my colleagues will have additional things to say on this subject and I look forward to that.

I thank the new Leader of the Opposition party for his comments on this subject.

This is a very important issue for all Canadians right now. It is a lot to grapple with all at once. As a matter of fact, just on the weekend I wrote another—I read another article, I believe this one in *The National Post*, that said the last significant set of changes to the Canada tax regime in the early 1970s was a process that saw four years of study and consultation that led to deliberation by parliamentarians.

Those changes, very significant, were passed eight, 10 years after the fact and this reporter—or this analyst had indicated that it was an appropriate amount of time for the size of the changes that had been contemplated and the degree of change that would take place.

Because, let us make clear, this is not about some kind of small tinkering from an accounting point of view on the margins of the tax act. This is a comprehensive, tremendous change. It drives to the heart, not of what it means to be a rich and elite one-percenter. This drives to the heart of our economy, to the heart of the middle class. And it drives further than that. It drives to the heart of everything that we have understood in Canada about what it means to be able to use the tax system to the fullest advantage according to the rules—that's the first principle of accounting and the tax system, to be able to use the rules to fullest advantage.

But also, it strikes to what it means to be Canadian. It goes to what we understand are our fundamental rights as Canadians to acquire property, to hold property, to plan for our retirement, to build a business, to use that business to invest in other ways.

This creates wealth. That wealth allows things for—job creation to take place. It allows for appropriate taxation on those earnings to be made.

So, Mr. Deputy Speaker, this is very, very important that we have adequate time for this. What this resolution makes clear is that there is not adequate time under what the federal Liberal government has described as their timeline to properly deal with even one, never mind three, significant changes to our tax system.

Mr. Deputy Speaker, there's a few key points I would like to make in the brief time allotted to me on this. First of all, let's be clear that the changes in respect of income sprinkling, as described by federal Finance Minister Bill Morneau, are significant. I'm very concerned that the federal government would propose, so hastily, to change rules that are so significant to the operation of a business.

I would make the point that it seems to take a very poor view of the activities of other members of a family within a business and it shows a fundamental inability to measure those contributions that a secondary member, that a spouse, that a working child, could make within a business. I see, if the federal government does not take time to get this right, what lies ahead will be a tremendous mess as business either attempts to grapple with quantifying what that contribution is, or simply throws up their hands in exasperation and says, our approaches have always been sufficient until now; I will continue to do the same.

I have heard accountants across this country warning that what they could see is a full-scale abandonment of a willingness to comply simply because they don't know what compliance looks like. How would you prove what paperwork would be necessary to show that contribution that that family member made? What bookkeeping would you additionally have to do immediately, and how would government centrally analyze and audit that contribution?

There is a value in the simplicity of this that is not being recognized. When it comes to passive investments inside a private corporation, these are the rules. This is how they have worked. I can tell you right now in the city of Morden where there is a small businessperson who employs four people who is making a new, significant ancillary investment in our community through a housing development. I can tell you about the jobs that that has created in the

construction industry. I can tell you about the activity at the city level that it has generated. I can tell you about the contractors who will build homes on that property. I could tell you about the earth-moving company that won the contract to prepare that site.

All of these are jobs that would not be created were that individual not able to take some level of equity within their corporation—their small corp, and then move it into another area of opportunity. To say that it is inappropriate is simply absurd, but we need to understand that the implication of these poorly designed measures would be that we would call into question exactly this type of investment made through a corporate structure—a small corporate structure by an individual who's willing to take on risk, willing to forgo other opportunities in order to do more because they love their community, because they want to create jobs, because they want to give back to the place in which they work and live. And the federal Liberal government is saying no, you can't do that anymore.

The last one, the last measure that is discussed here talks about the conversion of income into capital gains and simply restricting that ability of a corporation to pay in the—in a—well, in a long-held understanding that you could reduce the implication of tax through appropriate measures. This is also ill-conceived, needs much broader consultation with Canadians to understand what we're trying to do and trying not to do at the same time. The implication of this is—in my community, it means that farm families that are now third and fourth generation could not give that farm—or, transition that farm to the next generation. It would mean the end of the line because it would be more expensive to actually provide for that transition to related entities than to unrelated entities.

If this is an unintended consequence, it is the best illustration that the federal government is ill-prepared in—ill-advised to proceed. And it's why, today, we'll be looking for broad agreement by all parties in this House who recognize the damage to our economy, recognize the damage to our communities, recognize the damage to the revenue that is taken in by municipal government, provincial government, federal government as individuals take risk and do business in our province.

Mr. Deputy Speaker, we could go on and on. What I'd like to do simply is let my constituents speak. Sam Berg owns a company in Winkler and a—

one month ago, I happened to be at his grand opening of a new office for that home-building company. In Sam's words: It was 25 years ago, he says, that my wife Trisha and I renovated our first home. Next, we designed and manages our new first—our first new home project. Then we designed and physically built several other homes for our family. We enjoyed it—other than the long hours due to the fact that we were working full time somewhere else. But it was clear that I had a passion for this. While working at Heartland Resort, now the Quality Inn, I had the opportunity to design and manage with other partners a major overhaul to that facility, and that was my first commercial project. Through all of this, my wife began asking me why I wouldn't go into business in construction, as she saw this was truly where my passion was. I pushed back on this due to the security of a paycheque. And this went on for several years. Eventually, I gave in and we began discussing what it would look like. And because I had the full support of my partner and business partner—one and the same—we decided to go into business in spring of 2004, and Glenberg Homes began.

* (11:40)

And Sam goes on to talk about what it meant in concession, what it meant they had to live without. They talked about the early years of that struggle, but they talked about being able to go into the area of your passion and to be able to do that. And there was a system that said if you risk, there could be a reward. I can happily say now that Sam employs a number of people in our community who love that business and have seen it grow along the way.

A few other comments—

Mr. Deputy Speaker: The honourable member's time is up.

Mr. James Allum (Fort Garry-Riverview): I—it's my first opportunity to speak in the House since the return from fall session, so I want to welcome you back into the Chair, of course, and as well as to the Speaker herself for the extraordinary changes that were made to the Chamber over the course of the summer to enhance accessibility in this place. And my compliments to the designers and to, of course, the workers who did such an extraordinary job in making sure that this House belongs to every Manitoban.

Of course, want to welcome back our table officers, who work extraordinarily hard every single

day on behalf of this Legislature and on behalf of the people of Manitoba, and I thank them for their work and their efforts on our behalf and on the people's behalf. I want to, of course, acknowledge our new Sergeant-at-Arms. I don't think he's had one normal day here since he began, but then maybe there are no normal days in this place, but I welcome him and thank him for the work that he does.

Of course, all of our staff in here do an extraordinary job as well, and I want to offer our appreciation from this side of the House for the work they did just a few days ago at the end of last week, but the work that they do all the time in ensuring the safety and security of this Chamber and of this building.

And last but not least, of course, I want to welcome our new pages into the House as well. They do fantastic work on our behalf. I think it's an extraordinary learning environment for pages. But make no mistake, Mr. Deputy Speaker, they work extraordinarily hard when they're in the House, and we welcome them with open arms and thank them for all the work that they've done.

I got up earlier and thanked the member for—and will do, I should say—thanked the member for Brandon West (Mr. Helwer) for putting this resolution on the floor of the House today, and I think it is an important issue as the Leader of the Opposition. And, of course, I want to welcome the member from Fort Rouge as the new Leader of the Official Opposition (Mr. Kinew). With him and with Jagmeet Singh as the new leader of the NDP, I think the new generation, the new face of Canada is starting to emerge, and I have great hope and optimism for the future in the 21st century.

But as he said when he got up to speak on this resolution, our party has been, and always will be, about tax fairness in this country and in this province and making sure that everyone pays their fair share. And I don't think that there's any doubt—any doubt at all—that the Liberal government, the federal Finance Minister, the Prime Minister himself, other members of the Cabinet and caucus, have really fumbled the ball on this particular tax measure, tax change.

They not only fumbled it, but then they proceeded to kick it down the field when their 'b'old' buddy could pick up the ball and kept running toward their own end zone to the point where they'll probably give up a safety, Mr. Deputy Speaker, and they'll be at a disadvantage from having put this measure on the floor of the House of Commons and

put it toward Canadians, because I think that they've done a very poor job in—first of all, in the consultation of these tax measures with Canadians in general, with the business community more specifically. I doubt that they talked to Labour about it at all. I doubt that they really thought about what the implications for working people who work for small businesses—what that might be for them.

And so, it's pretty clear to us that the consultation period has not done very well, and I think it's also fair to say that the Liberal—federal Liberal government has also not communicated their message very well at all. They seem to imply that there are tax cheats out there in the business community. I don't think that's fair. We've never felt that way, Mr. Deputy Speaker. And they would have done well to consult better in the first instance and then to communicate even better to make sure that Canadians properly understood what they were driving at, what they're after, who they intend to help and how it—how it ultimately promotes tax fairness where everyone in Canada certainly pays their fair share.

And I was just saying to my friend from Concordia earlier, this is the problem when you pick out just one element of the tax code, think that you're going to make a big deal about it, think you're going to make a big impact, but we know, in fact, that there are significant changes that need to be made in the federal tax code and likely in the provincial tax code as well to ensure that there is tax fairness for all Canadians and all Manitobans, ensure that we live in a fair, more just, more equitable society, more inclusive society, where everyone belongs. And so it might have been better that instead of just picking out one element from the tax code, that the federal government had paid more attention to other elements as well to ensure, Mr. Deputy Speaker, tax fairness for everyone.

We know that there are dozens of provisions in the tax code that allow the extremely wealthy in our country to use tax havens in foreign countries to shield their wealth from fair taxation. We don't think that's fair. We don't think that's right. It might have been better if the Finance Minister had included that provision along with other provisions that he's contemplating.

We also know, Mr. Deputy Speaker, that stock options are not taxed at the same level as regular income, which allow the extremely wealthy in our country to avoid a whopping \$840 million in taxes

just last year. Why not start with tax fairness for the super rich and for those who have more than their fair share so to ensure that everyone is actually paying their fair share?

We also know, Mr. Deputy Speaker, that large estates, sometimes in the tens of millions of dollars, can be passed on without paying their fair share. So there's a further concentration of wealth in our society that doesn't go to the heart of sharing the wealth of this great nation equitably among all Canadians. In fact, the absence of a broader tax reform package speaks volumes about the liberal-federal Liberal government who like to come off as being concerned for their fellow Canadians, but we in the NDP know them to be like the Conservatives both in this Chamber and in the federal Chambers—the Tweedledum and Tweedledee of taxation. There really is no difference between either of those parties when it comes to making sure that the well-to-do are taken care of and 'leiving' everyone else to fend for themselves.

What—it was really quite remarkable just a few minutes ago, Mr. Deputy Speaker, to see the tax—to see the tax man, the Finance Minister, they're kind of interchangeable these days—get up and talk about the damage that this particular provision will do to the national economy and to the provincial economy, at the very time ignoring the very significant changes that he's making that will only ensure a further concentration of wealth in our province, and will only ensure tax unfairness in our province, and will only ensure that he'll put the brakes on our economy, and will only ensure that those who can't afford it, those who work hard every day, those workers who actually do create the wealth in our communities, will be hurt and stung by it.

I asked the member for Brandon West (Mr. Helwer) about the Premier's (Mr. Pallister) attempt to float a trial balloon around health premiums. We asked him whether that would have some significant impact upon entrepreneurs, would it impact about small business. Well, he didn't want to talk about that. And, in fact, he accused us of that being diversionary while at the same time seeming to implicate the Premier as being 1 per cent. It was a rather confusing question-and-answer period to say the least. It's no wonder that the member for Brandon West is on our side of the House and not on the other side.

But, Mr. Deputy Speaker, the Finance Minister is the one who imposed new taxes on seniors. That

wasn't fair. This is the Finance Minister who is raising tuition on post-secondary students and on their parents, because we all know that families are partners in ensuring post-secondary educational outcomes for their children. And yet the Finance Minister seems oblivious to the damage that he's doing, that he's contemplating with his changes, proposed changes around health premiums, by raising taxes on seniors, by raising fees on students and their families. This is actually damage, Mr. Deputy Speaker.

* (11:50)

And so we begin to recognize that the Finance Minister talks out of both sides of his mouth when it comes to these issues. So for the New Democrats, let me say it again: we believe in a fair, more just, more equitable, more inclusive society for all Manitobans. If we really want to talk about tax fairness in this country, we'll talk about this measure. That's for sure. But we want to talk about a variety of other measures to make sure that everyone—everyone in this country and in this province pays their fair share.

Thank you, Mr. Deputy Speaker.

Hon. Jon Gerrard (River Heights): I want to put a few words on the record on this bill.

I want to start by—my remarks by stressing how important small business and medium-size and large businesses are to Manitoba. We in the Manitoba Liberal Party see small-, medium- and large-sized businesses as the backbone of our province. They're the major job creators in our province. They are usually passionate about what they do, and that results in them being innovative in bringing forward new ideas often, and in presenting new products and services so that, in fact, their business can do even better.

Whether the businesses are in farming or in high technology or in services from hairstyling to retail, you name it, there are about 275,000 Manitobans employed in small- and medium-sized businesses, and 50,000 small businesses in our province.

Our MLA from Kewatinook has run a successful small business in St. Theresa Point, a laundromat, and has a great deal of experience in this area. She tells me that she has employed many family members, including brothers, sisters, cousins, uncles, aunts, parents and maybe even grandparents. But there's a large number of these family members who've been employed. But she's always been careful to pay people for the work that they do, and

she doesn't pay family members who are not contributing and working in the small business. It doesn't make sense. It would be a bit of a problem to spread that income around so many family members in St. Theresa Point—there are a lot of them. And also, you know, it is fair that if people work in a small business, they are paid. If they are not working in a small business, whether they're family members or others, they're not paid.

And we know, for example, that in many farms both husband and wife, and often brothers and sisters and children often work very hard in the family business. And it's really important that when they are working hard and contributing to family business, that they're able to benefit from the profits of that family business. That's only right and proper. But what has been pointed out is that there are people in family businesses who are families who are, under the current tax code, getting income when they're not working in the family business.

And that is what Mr. Morneau and the federal have been talking about: making sure that the tax system is fair so that those who are working in the small business can profit and get income from it and those who are not working in the small business don't necessarily get a profit from it unless, perhaps, they are shareholders, have an—invested in it, but they are contributors in some significant way to the growth and the development and the well-being of the small business and whether they are providing work or whether they're providing capital. I mean, these are parts that need to be rewarded, and it's very important that we recognize the risk that is involved in small and medium and large businesses and that that risk is appropriately rewarded and that people have an opportunity to not only be rewarded for the risks they're taking, but have an opportunity to put money aside for maternity leaves, for pensions, and for other areas.

Mr. Speaker, Bill Morneau and the federal government brought forward the proposed tax changes to small and medium sized and many of us would consider some of the businesses that we are dealing with multi-million dollar enterprises fairly sizeable businesses. He brought forward these proposals in early July and there's been three months for discussion and input into these changes.

The goal of these changes is to provide a fairer tax system for all and, as I've said, to this end, the changes were designed to allow family members who work in a businesses to earn income or who

contribute capital to a business to earn income from that capital, at the same time to end the practice of paying family members who do not do any work or provide any capital to the business itself.

After putting forward the proposals, the federal government has received a great deal of input, something like 21,000 written submissions. As a result of the input, the federal government is in the process of making major changes to the proposed bill. As I understand, the changes will have as their objectives ensuring that the issues that have been raised with respect to the transfer of the family farm and other businesses within a family can proceed without the major difficulties which could have occurred with the original bill.

Two: Ensuring that physicians and other health professionals who can incorporate have a substantial mechanism for saving for maternity leave and for their pensions.

Three: Ensuring that people who've organized their businesses so they can save for the future will still have the benefit—*[interjection]*

Mr. Deputy Speaker: Order. Order. There seems to be a lot of conversation here in the House and it's hard to hear the speaker, so if everybody can just quiet their conversations or go to the loge that would be appreciated.

Mr. Gerrard: —ensuring that people who've organized their business so that they can save for the future will still have the benefits with respect to the monies already invested. In other words, removing the retroactivity of provisions which are of concern.

Four: Ensuring there's a clear distinction between family members who work or provide capital in a business and who will receive income from that business and those family members who are not working in the business or don't provide capital and will no longer be able to receive direct income from the business.

It's been clear, Mr. Speaker, for some time, that some changes are needed to the taxation of small, medium and large businesses to ensure that they're helped to grow and prosper while also paying their fair share of taxes.

In the courses of talking to people all over Manitoba, I've heard from many. I've heard from accountants who report that sometimes small and medium and large businesses, including farms, are paying sizeable amounts of money to family

members who contribute no work or capital to the business.

In Canada, it's important that taxes are fair. I've talked to those who describe the practice of paying family members who do no work in the business as unfair and, indeed, making a mockery of those who do pay their fair share of taxes. We want and we need a fairer Manitoba and a fairer Canada.

I don't believe we should be withdrawing this bill. There's an obvious need for tax equity. I do believe that the federal government and Mr. Morneau should make the changes fully in the legislation that Canadians have asked for and should then have—provide for—additional consultation once those changes have been made. There's not a lot of purpose in going back with the original bill when it's going to be changed a lot.

The concept of creating a fairer and more equitable society is a good one and one that I support, even though the provincial PCs do not support it. The PC government in Manitoba today

ran on a campaign of tax fairness and yet the Premier (Mr. Pallister) very quickly has raised taxes on students and recent graduates. He's raised taxes on seniors, raised all sorts of extra costs for seniors and many others in our society, and he's proposed enormous monthly health premiums for Manitobans.

Madam Speaker, I understand why the Premier and his supporters want this bill withdrawn. The Premier and his supporters are not about tax fairness at all. The Premier and his supporters have been the biggest beneficiaries of the tax loopholes that favour the wealthy. His government needs to stand up for all Manitobans and work with all other MLAs who want a fairer Manitoba. Give Mr. Morneau a chance to show he's listened and will make the changes.

Mr. Deputy Speaker: Order.

When this matter is again before the House, the honourable member for River Heights (Mr. Gerrard) has one minute remaining.

The hour being 12 p.m., the House is now recessed and stands recessed until 1:30 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 10, 2017

CONTENTS

ORDERS OF THE DAY		Resolutions	
PRIVATE MEMBERS' BUSINESS		Res. 21–Withdrawal of the Federal Government's Proposal on Tax Planning Using Private Corporations	
Report Stage Amendments–Public Bills		Helwer	2831
Bill 215–The Civil Service Amendment Act (Employment Preference for Reservists with Active Service)			
Kinew	2821	Questions	
Curry	2822	Allum	2834
Fletcher	2824	Helwer	2834
Gerrard	2825	Martin	2834
Concurrence and Third Readings–Public Bills		Nesbitt	2834
Bill 215–The Civil Service Amendment Act (Employment Preference for Reservists with Active Service)		Gerrard	2835
Curry	2826	Michaleski	2835
Swan	2828	Debate	
Johnston	2830	Kinew	2836
Klassen	2830	Friesen	2838
Fletcher	2830	Allum	2839
		Gerrard	2841

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/hansard.html>