

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, August 25th, 1964.

Opening Prayer by Madam Speaker

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills
Orders of the Day.

MR. ELMAN GUTTORMSON, (St. George): Madam Speaker, I'd like to direct a question to the Minister of Health. The other day I posed a question regarding the situation at the Brandon Mental Hospital and he said it was under investigation, regarding this escapee. I wonder if he could tell us at this time what happened.

HONOURABLE CHARLES H. WITNEY, (Minister of Health), (Flin Flon): Well Madam Speaker I have a report upstairs in the office, I'll give it tomorrow.

MADAM SPEAKER: Adjourned debate.....

HONOURABLE DUFF ROBLIN, (Premier), (Wolseley): Madam Speaker, will you call the debate on Bill No. 2, the Tax Bill.

MADAM SPEAKER: The adjourned debate on Bill No. 2. The Honourable the Member for Burrows.

MR. MARK G. SMERCHANSKI, (Burrows): Madam Speaker, I would like to add to what I said earlier in the day in reference to the matter of taxes in our Province of Manitoba. Irrespective of what the members of the government have to say about the inability to carry on the business of the government without raising taxes, I would like to bring to the attention of this whole House that there are other ways of solving our matter of expenditures on behalf of our government. One of these interesting sidelights is, how were these taxes arrived at? There must have been some very good reason as to the way and means in which these taxes were arrived at. Who masterminded these taxes and are they equitable and fair? Madam Speaker, it's one thing to raise the taxes and increase the revenues of the government when that dollar that you spend in terms of tax money does not belong to you. And I dare say that any one of us sitting in this House can look at each other and say that it is easier for me to spend the dollar that is in your pocket than it is to spend the dollar that's in my pocket.

I would like to ask this government that has the ability, that has the forward outlook, is it not time to take a hard look at the reduction of taxes and why not hold the line on expenditures? It seems to me that we are releasing a force at the present time in this province by virtue of this government imposing these additional taxes, and you're going to have certain groups that in order to compensate themselves for higher prices because of the increase in taxes these various powerful groups will seek higher prices. What does this mean? This means that the burden of any such increases will be shifted to the less fortunate and the less organized groups. This is usually the average-income earning group of people in the province, and I say to you, Madam Speaker, that irrespective of what anybody says in this House, our expenditures can be reduced and therefore there is no need for an increase in taxes. Every one dollar of capital expenditures spent by any government is completely lost and you might just as well attach another six percent on a yearly basis in order to pay for that dollar in capital cost that has disappeared, and I think I'd like to draw a parallel for some of the people that might understand it in more plain language. It's like a cow. We all like to milk a cow that'll give us milk but when we have a cow that is non-productive I think there's no farmer that is going to be content to retain that cow in his barn. He'll only retain it if it's going to be productive. In this tax bill we have the matter of people who rent apartments and who rent houses. A very good question is, to what extent are they going to get, not the baby bonus rebate, but the taxpayer's bonus rebate. --(Interjection)-- They sure will.

New programs are always costly and I don't think that there's been a single day in any one of the sessions that's been called since I came into this House but what we haven't announced new programs. Gentlemen, we all realize that new programs cost money. In

(Mr. Smerchanski, cont'd). . . order to pay this we must have increased expenditures and this comes out of taxes. It's as simple as that. On the one hand we have the ever present pressure that we will institute new programs; we will institute new studies; we will institute new commissions; and it's all fair and well for you to say to us "but you too are recommending additional commissions" but isn't it time to sit down and review some of these commissions? Isn't it time to sit down and review some of these boards? They're possibly antiquated. Let's dispense with them. I cannot understand the attitude of the present government in saying that the only way that you can continue to be progressive and, in the words of the Minister of Mines and Natural Resources, that it is a privilege, it is a privilege of this government to raise taxes. I don't think it's any privilege, Madam Speaker, to raise taxes. I think that this government. . . .

HONOURABLE STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources), (Fort Garry): . . . I don't think I said "privilege".

MR. SMERCHANSKI: What did you say?

A MEMBER: He doesn't know.

MR. SMERCHANSKI: Madam Speaker, this government is taking the easy way out and taxation, increase in taxes is creating and contributing to the inflation of our economy in the Province of Manitoba. I want to emphasize most strongly that some speakers today, and from the government side, have indicated that we are living within our means, and we certainly are not. Because we're anxious to spend over and above the natural increase in revenues which are raised by the natural increase in the economy of the province, that's one thing. But here we have a shining example where we cannot live within our means. The present government of the day, Madam Speaker, cannot live within its means, and it is, as mentioned by my honourable leader, every session, every year there is some sort of increase in the tax load. Is it not time to call a halt to this and let us leave taxes where they are? Let's analyze the immediate expenditure; let's analyze the immediate future and know where we're going, but let's hold the line on taxes. On the one hand we're so concerned about the new home owners, whether they be young farmers or whether they be young people who are recently married and are not earning enough money to be able to afford all those things in life that they would like to have, but a home is something that most of them look forward to as being something of their own, and yet, with the one percent that is being raised on the transaction of buying and selling houses, these are the very people that are going to be penalized on an average of \$150.00 because you must allow an average price of today's house of around \$15,000 give or take. And as mentioned by my leader, do you think that you're going to be able to pigeonhole the large land transactions? You certainly will not, because they will be sold and bartered and traded in terms of company shares and as companies as one identity, and you will not be able to collect any revenue to the Treasury for the Province of Manitoba. So who will pay for it, Madam Speaker? It will be the average home owner who is least prepared to pay this additional \$150.00 to the province.

In reference to the matter of gas tax, and I think that this will interest some of the members sitting on the other side of the House, how many gallons of gas will the filling stations near the Saskatchewan-Manitoba border be selling to Manitoba residents? Don't you think that they will nip into Saskatchewan and fill their tanks up because it will be two or three cents cheaper? This is a very, very common way of doing it. This is what the residents of Ontario are doing in Manitoba, what is happening to Kenora, and this will happen right along the Saskatchewan-Manitoba border and now will be the opposite on the Ontario-Manitoba border as compared to what took place before. I see some of my honourable friends disagreeing with me. Well, if you think that human nature is going to be any different than it has been in the past then you might be right.

Madam Speaker, with all the surpluses that have been announced from year to year, and with a surplus of close to \$10 million announced at the beginning of this year, and then we find that before the year is out we're faced with the requirement of additional funds, I want to make one prediction, Madam Speaker, and I make this on the basis of business experience. I want to make it on the basis of knowing something about revenues and expenditures, and I will make a prediction that this government and particularly the architects ✓

(Mr. Smerchanski, cont'd). . . of this tax proposition are headed for trouble, and that they will be coming back to this very same House to ask for additional taxes. Madam Speaker there is a limit beyond which you and I can afford to spend. There is a time in everyone's life in terms of earning capacity or dollar expenditures when you've got to take a good hard look at yourself and ask yourself, where am I heading? The only difference is that you may head into bankruptcy as an individual and this you can plead, but with the government this money belongs to the people of the province and this is not the proper way to conduct the affairs, especially the business affairs of the province.

You know I think it was Aristotle that said: "When everybody owns everything, nobody takes care of anything", and I think that that application can be well applied to this government. I see that my friend the Honourable Minister of Mines and Natural Resources has a bit of a smile on and you know last night when he mentioned something about the mirror and people appearing before this mirror and watching Channel 7 tonight it was brought home very strongly to me and I was going to ask him that you know it's not unlike Snow White and the Seven Dwarfs. The mirror was hanging on the wall and it was overcast with a little bit of mist and rain and out of the thick fog came the voice "Mirror mirror on the wall, who is fairest of them all?" and a lone little voice said, Red Lyon, the Honourable Minister of Mines and Natural Resources."

Madam Speaker, I can only close this off by drawing a similarity in the proposed increase in the tax load to the average resident of the Province of Manitoba in this manner --and this took place in Russia of all places. In a Moscow cable plant economy minded employees managed to cut the plant's copper consumption by some 200 tons, but their triumph and accomplishment was short-lived, the reason being the factory which sent its copper waste to be made into other products learned to its dismay that the 1963 production plans called for extra supplies --400 tons, which was more waste copper than it could possibly deliver. They had cut the consumption of their own copper waste so how could they be expected to deliver twice as much? As it turned out the factory's reward for a sizeable saving in this copper waste was to be fined \$200,000.00. Now the question comes, why were they fined \$200,000.00? They were fined for the non-fulfilment of its waste quota, that's what they were fined for. And I say to you Madam Speaker and in all sincerity to the government benches I honestly do think that we're going too fast and far in the tax field. It's time that we had the best brains in the Province to take a good hard look and ask ourselves, are these taxes necessary? When we see other economies in this world cutting taxes and increasing their revenues then should we not have a hard look at this? You know we're only a one million population province and we can't expect to be driving around in Cadillacs so let us trim our requirements accordingly and let us take a hard look at the proposed tax increases. I know we can't do anything about it on this side of the House --It's a foregone conclusion-- but I know this Madam Speaker, that there are many members on the government side that if they are going to be sincere with themselves and honest with themselves and they search within themselves and ask themselves, do I honestly and truly believe that these taxes should be increased, I think that if you could analyze their inner feelings you would find that they are not in complete agreement with what the government of the day is trying to tell us is the right policy, because the government of the day has been wrong before and the government of the day is going to be wrong again and they're going to live to regret the day for having imposed these unnecessary taxes on the taxpayers of Manitoba. Thank you Madam Speaker.

HONOURABLE GEORGE JOHNSON, (Minister of Education), (Gimli): Madam Speaker, in speaking to this Bill I have listened with some concern to those who have spoken to date. Certainly Madam Speaker no administration is keen on raising taxes. I think that is universally abhorred by politicians and people in public life. However, I think that after all that has been said in this House by the opposition --and I see the Liberal Party are going back to the pay-as-you-go principle that we were so familiar with in the forties and early fifties, which is a very noble policy and certainly I am not slamming or in any nasty sense the Member from Lakeside who led that administration-- but I want to point out to you Madam Speaker, as a representative of a rural constituency, some of the benefits which the policies over the past few years have meant to a typical rural Manitoba section. I think that it is

(Mr. Johnson, cont'd). . . timely because this brings us back to the people. It puts the issue where it belongs and as we think from time to time we can pass judgments and philosophies in this House without concern for just what is happening at the local level. For example the honourable member that has just spoken takes us back to --who spoke last year I recall on lagoons. He would do away with all lagoons and bring in aeration systems throughout rural Manitoba. Cost --impossible in the Province of Manitoba.

The Honourable Member from Burrows was one of those who supported this government's measures at the time of brining some assistance to a mine that was threatened. He is a progressive person, knowledgeable in the mining field. He knows what it is, that government from time to time must invest in the people --in the people in rural Manitoba.

Before I come back to a small average rural Manitoba constituency to support the government in the measures it is taking in this session, I was intrigued the other day by the 23 points brought up by the Honourable Member from Emerson in another debate that appertains to this. I can come back and tell the honourable member, the people of Emerson, that the Honourable Member voted for the following 23 measures in this House. I would like to review them and then tell you how these enhanced my constituency and why the people of Manitoba feel this is progressive government and that is why I'm convinced they will continue to feel so. And I'm also convinced that the investment that we are making is going to benefit future governments and the boys and girls --my children and yours.

The Social Allowances Act. Four million dollars was the welfare bill in this province in 1958. Today it is \$20 million. This program was endorsed by this House. It's a good program. It's based on need. Every program has some drawbacks but by and large Manitoba pioneered. Liberal administrations across this country have adopted this program as the Minister of Welfare can recall.

Community Development initiated in Manitoba. The Federal Government in Ottawa has suddenly found this is possibly the answer. They have endorsed this fully and this program has gone from around 50 to 100 thousand the first year to over a quarter of a million.

The day this government came to office hospitalization costs were 27 million. Today hospitalization costs are 43-44 million dollars. I think we all support the concept of universal hospitalization. We have all individually and collectively seen the benefits and how it has transformed the practice of medicine in Manitoba to the benefit of the people. This is getting back to the folks.

Education. Madam Speaker from 18 to 47 million in 6 years. Did we need it? What are we going to pull out? The Honourable Member from Emerson said in another debate appertaining to this general subject, we built too many schools. The local folks back home don't entirely think so. Not all educators will buy 100 percent the idea of total centralization to any excessive degree. The Honourable Member for example from Emerson, what did he say about teachers' pensions? What did the Member from Selkirk say? The best one year. Certainly it's the duty of opposition to try and improve those measures we bring in and that is fair game, fair game. And I would say, and this is what they should be saying and I always appreciate so much of the criticism from the New Democratic Party because I always feel they're pushing me on over the brink --let me sink maybe-- but just the same I like to think that I know that intellectually they're completely honest in this regard and believe it. I'm not imputing any motives to the other opposition group at all. I'm just saying that they can't have their cake and eat it too. They've got to face up to the fact that the people have spoken. I'm here. My folks know what I stand for out in the country in my constituency. They know those measures and they know that some of them are going to cost a little more money.

What about major highways and access roads? Oh I remember last year the Member from Ethelbert Plains --he's not too happy about some of those highways in my constituency, didn't think that they warranted that kind of high-class treatment but nonetheless it's opened up this country tremendously. Access road. Well sir, I lived on the main drag of a busy town in rural Manitoba, very busy --the Town of Gimli, Manitoba. We kept the storm windows on. How'd you like to raise a bunch of little kids in the summer time in a big house, practising medicine, and sick people coming in, and you had to have the storm windows on because the dust was more than one could bear. You could almost make a living treating asthma on the main drag. But this is the problem that you're -- there were no such things as

(Mr. Johnson, cont'd). . . . access roads in the old days. They weren't a dream. They were just a "pie in the sky" to the first settlers in my district who said, Doc for 80 years we have lived on this highway and we still have to take a train in the springtime. And we still need a weasel or a bombardier in the winter. Doggonit what's happening to this province. Somebody had to react, Madam Speaker.

Northern Health Services from zero to \$100,000.00. What do we hear about that? Saving lives, bringing new hopes, improvement in sanitation, environmental living, to the people of northern Manitoba. Community mental health services, these things evolved in the last few years. We didn't create them. This was the trend which our province and the leaders in this field in our province supported, which every member of this House believes in firmly, hence, the minister recently opened a marvellous new facility dedicated to that purpose at Selkirk. We know the story in mental health - fantastic, absolutely fantastic. Money? Sure it's cost money, lots of money - an investment in human betterment, an investment in people; keeping good staff in our province, so the people we graduate from our schools can stay here and help us with the job. Expansion of health unit services. Nobody has voted against that. That has been enhanced tremendously in the past six years; continuing program, initiated by the former government and a good one, and coming along, but costing money. The Member from Emerson never mentions that of course. The increased bursaries and loans to students. The member from Burrows used to be a member of the Board of Governors at the University, he knows the importance of bursaries. And the loan program, the federal counterparts are bringing out a new program now, in loans which is, I think, excellent, and I think will enhance and assist so many needy students. Again in this province, increasing sums of money and large sums of money, within our borders. Increased grants to universities? All he has to do is drive out there from the old days, and he knows as well as I do, what kind of money this costs. My next point which is up to 11, I am just starting, we have increased grants for recreational facilities, physical fitness, and what about our roadside parks? Heavens above, this has revolutionized rural Manitoba. The Member for Ethelbert Plains, I know has some excellent facilities near his constituency that I visited this summer. I looked for my honourable friend but I couldn't find him. I was out fishing on Blue Lake, but it ain't got a hope on Gimli. I was a little disappointed. However it has the odd bass I believe there. I am not running it down, and it had good fishing, Madam Speaker. It is a lovely part of the country and it's delightful to see the programs that the Mines and Resources Department have broken out with and under their program.

Increased grants to cultural and art centres? Everyone's aware of this in the Executive Council Grant. What about urban renewal? This is costing increasing sums of money every year. The Leader of the Opposition has continually pressed for this, and in recent years for more of it as have the New Democratic Party and the government is in this with the municipalities at this time. The telephone expenditures. We need to modernize and keep up with modern technology, build more automatic exchanges --this costs money. And true enough it is a Crown Corporation, but the votes of these departments pass this House, and they are large sums of money which are lumped into the debt whenever they are talking about our costs. Hydro expenditures. Look at the fantastic expenditures in this regard. Agricultural credit. Certainly we have heard talk of it today, agricultural credit what it is doing, trying to assist young farmers. Many hundreds, thousands, millions dollars raised in that regard. Crop insurance. Drainage projects. My goodness. The drainage projects alone, I can tell you in my constituency have revolutionized the farming in that area. ARDA participation with the federal authorities in that regard.

What about the increased grants in the field of retardation? These were substantial over the years. Remember around \$50,000, now around half a million. Housing for the elderly. Heavens, --changed the face of rural Manitoba both in attitude and in the marvellous facilities created Madam Speaker, not only in your area but in most areas of the members in the House who can speak in anything but glowing terms for the leadership and assistance given by the department in that regard. Increased standards in nursing homes, and the development of care services in experiment in health and welfare fields in Canada, right here in the Province of Manitoba. What about the expenditures in vocational training, trade training? One visit to the MIT last year I am sure convinced all members of the House

(Mr. Johnson, cont'd). . . .that the investment in monies we're passing here are well justified in this field. What about the increased pay and, let's face it, superannuation benefits to our civil servants who are an outstanding civil service in my opinion in this province, and with a large civil service one has, with the regular negotiations from time to time, this costs money. Vastly increased teacher training programs that I noticed in the Department of Education; the gradual raising of standards, costs money. Curriculum development, many other matters in this regard.

Now we talk of all these things, and all of us go out as citizens of this province, and I am sure we are all proud of some of the progressive legislation, and some of the progressive projects, and attitudes, and programs which we have. I think that it is the right of every member to be proud of these, and I am sure we are all happy with each and every one of them. And we all know it costs money. And I know it's the job of the Opposition to push the government into even greater expenditures so that possibly they can become financially embarrassed in paying for this kind of development. And that is their duty. And we accept that challenge. However, it has to be paid for. And this Bill, the reason it has come along so quickly is that our people when they see a good service, Madam Speaker, they are willing in many areas, for example, in the health field, in education, I feel they are prepared to see expenditures rise if they get the service. I think that our teachers in Manitoba, our hospital people, our welfare people, our municipal councils and trustees are giving pretty doggone good government in the Province of Manitoba.

I also feel that, when you come back to the small town, I just wanted to tell you that I mentioned the access roads and how it cut down the incidents of asthma. I can tell you of the old folks home with all the old people who want an independent living, can come to that home and not be embarrassed by not being able to pay their way. About 50% of the inmates in some of these homes such as the one there, are assisted through the Social Allowances Act on an individual basis and as we know that program, and they are in good adequate housing. This has been greatly enhanced. The roadside parks, I have mentioned in the constituencies; the hospital benefits with hospitalization --true, initiated by our predecessors in June of 1958, and developed over the last six years with a greatly increasing cost. And much like both in the field of health and education, when you step out to do the kind of job that has been done in the last few years you are not only faced with enhancing what was there, you are almost faced with redevelopment of your program --redevelopment and rebuilding of your hospitals, rebuilding and redevelopment of your schools to attract better teachers in such greatly increased costs. In my constituency a 23 room senior high school, where in the old days-- the taxes on the corner lot that I had for example were \$386 --I ate dust. We had great difficulty housing our children in school accommodation --grants were very low. This raised our local taxes. We couldn't compete for teachers with the more wealthy communities by any means. Our old folks were not getting the support, supplementary assistance of any kind at that time, very little. Now these are things that have changed. These are things that have lifted up the hearts and minds of the people of the area. And possibly the greatest single step forward was the development of sewage and waterworks, which meant many new homes, drainage of the low parts of our town, and now the development replaced by modern new homes.

So here we have in a seven year period of time in the constituency that I represent, in one town as an example, water and sewage; we have an enhanced senior citizens facility. We have freedom from want of hospital care; we have top-notch roads and access roads; we have roadside parks; we have a fund which was passed in this House, called the Development Fund, which I understand helped one tourist organization in that area to develop. These are the things that the people see. These are the things they appreciate. And I am sure as long as they feel it's being administered in an efficient manner they will have some compassion for the administration in asking for more funds. I admit, we all admit, that taxes are not a popular thing to be raising. I just say that we simply can't stand up bare facedly in this legislature talking on this bill, and recite the reasons why the government shouldn't raise these individual items without looking at some of the 23 or 24 programs that I just jotted down the other day, as I listened to some of the debate. I think this program of government I have read has been called everything from ingenious to retrogressive in the last week that I have read, but nonetheless, it is an attempt to bring about the necessary funds to carry forward these

(Mr. Johnson, cont'd). . . .programs as judiciously as we can to enhance our Manitoba community and it certainly is no easy way out, as may have been expressed by some. It is a government measure and it is done in good faith on the basis that these programs are popular, these programs are necessary for our people. Thank you.

MR. JOHN P. TANCHAK, (Emerson): Madam Speaker, I don't intend to measure up to the honourable minister, and since he is one of my favourite ministers, I'll try not to offend him. Now, I don't think the Honourable Minister was very fair when he compared Gimli with the rest of the towns throughout the Province of Manitoba. No, I have a reason for saying that, because the honourable minister seemed to give us the impression that Gimli has got all the good things that anyone would desire in this life. Good for Gimli. I'm for it. Of course, Gimli is so lucky to be able to get all these things, it seems to me that half of the tax revenue from the Province of Manitoba was channelled into the Gimli area.

MR. JOHNSON:one bit.

MR. TANCHAK: I didn't hear what the Minister had to say.

MR. JOHNSON: Are you suggesting that Gimli's getting special treatment?

MR. TANCHAK: You'll see as I go on.

MR. JOHNSON: You better. . . .

MR. TANCHAK: That's what I infer from the Honourable Minister, that Gimli does get special treatment and I'll tell you why. I heard this last year, the same story. I heard it last year and this year. The Honourable Minister comes up with the same story bragging what is being done for Gimli.

MR. JOHNSON: I want, as a matter of privilege, to point out to the Honourable Member that I was pointing out an area that I happen to know. I've heard the same story in many other communities as my colleagues behind me can vouch for.

MR. TANCHAK: Good, I'll be telling the Honourable Minister about the areas that I know, but still I'm not finished. I'll say just one thing. Maybe it is quite true that the Honourable Minister is so luck as to have all these goodies. --(Interjection)-- Probably local leadership --but I interpret it in a different way and I'm not going to accuse the Minister of any wrongdoing, but --(Interjection)-- Anybody wants to speak, just get up, if you want to take the chair or the floor, but I'll say it this way. I am very sorry that every constituency in the Province of Manitoba is not represented by a minister. That's the only answer I can give. My constituency hasn't got a minister --I'm not a minister-- and I can't boast of those things. --(Interjection)-- I can't boast of all those goodies. And the Honourable Minister is boasting about Gimli, that he doesn't have to treat the patients for asthma any more, because there's no dust coming through the windows, and I'll point out to him what about some of the towns in his area, doesn't he still treat them for asthma? You take Shorncliffe --I believe it's in his. If I'm wrong you may correct me. Arborg, Zbaraz, Sylvan-- those people haven't got the conveniences that Gimli has. They haven't got the paved roads. The poor fellows are still sucking dust. And Narcisse --I'm not too familiar with all of those places.

A MEMBER: Oh they get the dust there.

MR. TANCHAK: But I don't think it was fair to pick out one example of a town and say that everybody enjoys that. That's not true. --(Interjection)--. I'm coming to that. I did say that not all of Manitoba enjoys these services, not like the Gimli constituency, and I gave you the reason why we don't have it in there.

Now, the government propaganda machine --and that's a good example of it right now-- now I'll repeat it, the government propaganda machine is so very efficient that it has succeeded, succeeded for the time being, in convincing the people and the press to a certain extent in some areas that this government is so efficient that the taxpayer gets full value for its tax dollar and that isn't right and I'll attempt to prove it. Others have tried to prove it but of course the government doesn't have to agree. Now I'm referring to something I heard and it was just last week through the media of CJAY --and by the way, sometimes it appears as if the Premier owns this CJAY media. The Premier of Manitoba inferred to the people of Manitoba that they should welcome higher taxes providing they get value for their money, and in his opinion, in the Premier's opinion, the people do get value for their money. Of course he has a right to his opinion but we on this side feel differently about it, and you've heard several speeches that do not believe what the Premier would like the rest of the people of

(Mr. Johnson, cont'd). . . . Manitoba to believe. In his opinion the people do.

Now I'll quote what the Premier had to say. He says that the Opposition claims that we don't give the people value for their money. "Ask the people about the roads and highways in the Province of Manitoba." That's one quotation. "Ask the people of Manitoba about the school program." "Ask the people of Manitoba about the parks system." Five. I can't discuss all of them but I would like to consider the first, the roads, the highways and the access roads. The Honourable Member from Gimli is very happy --he's got them all. But there are many constituencies in the Province of Manitoba that do not enjoy those services. They have been neglected, and listening to the Minister here we would imagine that in certain areas of Manitoba the residents of Manitoba are being treated as second-class citizens, because they do not enjoy the same privileges as the Minister of Education indicated that his people enjoy these privileges, these good roads. And I'll say again, here is where the government propaganda machine was so attractive that they even sucked the news media into believing it. Yes they did. This great hullabaloo.

A MEMBER: The Free Press to?

MR. TANCHAK: Never mind, I'm not mentioning names. This huge improvement program in the Province of Manitoba on the provincial highways, access roads, and other roads, simply does not exist. True. I'm not going to say that the government doesn't do anything good, nothing right. Evidently it did a lot of good in Gimli and many other places, and I'm not going to say that the school division is entirely wrong. I just pointed out some of its defects; and the same thing is here, that there's simply --this huge road program simply doesn't exist with the exception of those roads into the north. I'll give the government credit; they have built some roads into the north, but southern Manitoba has been sorely neglected.

MR. JOHNSON: southeastern especially.

MR. TANCHAK: Maybe there's another Minister there. Now why do I say, why do I say that southeastern Manitoba has been neglected, and I'll say again, I'll challenge anyone and even the press, not to simply get out on the arteries of the Province of Manitoba and travel back and forth and then come back and say what wonderful roads. They would be travelling on most of these roads that formerly existed in the province, southern parts of the Province of Manitoba, the Trans Canada, the No. 75, the No. 2 and so on. These are the old roads. They would be travelling on those. It's very simple to take out one of these maps and say, "Now, where do I want to go --a certain point in Manitoba," so I follow which is the best road, I follow the best road; but I challenge anyone to get out into rural Manitoba especially in southeastern Manitoba, and travel north, south, east and west, back and forth, and see what improvements were made in southeastern Manitoba, they you would not be bragging so much about your huge road program because as far as I'm concerned it is non-existent. True, even in my constituency there was some improvement but not to the extent that the government is trying to take the credit for. That is not true.

As I said before, this government propaganda is so efficient that they got the people to believe it. And I can read up hundreds and hundreds of villages and towns in Manitoba that do not enjoy these privileges that the Honourable Minister of Education elaborated to us just now -- hundreds of them; and at the same time I've got a little bone to pick with the Honourable Member from Brokenhead because yesterday when he spoke -- no offence there; I agree that he made a wonderful contribution, much better than I can do -- but at one point he said that we are pretty happy now that when we travel on these access roads to some towns and villages we do not have to spit dust. I agree with him -- no, I must concede to him that he did mention of course there were a few little towns and villages that probably don't enjoy these privileges. Now I'll mention some of these towns and villages that have to eat dust and have to put up with the Minister's asthma. I hope he sends us doctors, quite a few doctors to these towns to treat the people for asthma in these areas, and I'll say it has been proved last time by one of my colleagues that the present government is spending less money annually from current revenue on highways than the former government did annually in the last three years of their administration, and we have those books, statements. It shows on black and white this government is spending less money. Still -- out of current revenues -- still they brag about the huge road building program. It's absolutely false. I cannot see it. It simply does not exist.

(Mr. Tanchak, cont'd.) . . .

Now here I'll come, just for the benefit -- I don't think the Honourable Minister is even here any more -- but for the benefit of the Honourable Minister of Education, maybe he could come and treat patients in these villages for dust, because I'll just enumerate a few of the villages, not all of them, and most of them are in southeastern Manitoba. I mentioned a few in his own constituency. He didn't brag about them eating dust, but Gimli certainly doesn't eat dust. Now what about these? Now we'll just start across the river: St. Adolphe, New Bothwell, Kleefeld, Grunthal, Sarto, Otterbourne,

A MEMBER: All aboard. You sound like a conductor.

MR. TANCHAK: Ste. Elizebeth, Dufrost, Arnaud, Dominion City -- it's not a small town, small village; it's quite a size -- St. Joseph, Domain -- that's across the river -- Rosenort, Ridgeville -- that's my home; I still have to put up with that dust, keep my windows closed.

A MEMBER: I know it, I was there.

MR. TANCHAK: You know it, thank you. Gardenton, Vita, another sizeable town, -- (Interjection) -- no, some of them are starting right through to Winnipeg. Arbakka, Caliento, Zhoda, Menisino, Sprague. -- At Sprague the government helped building over a \$3 million dollar plant there. They are still eating dust, those people, travelling back and forth. It's a sizeable town. -- (Interjection) -- No, real dust. No the plant didn't go bust yet. Then there's Vassar, Carrick, Sandilands, St. Labre, Marchand, Giroux, Rosser, Meadows, Marquette; then there's Fisher Branch, Poplarfield, Hodgson, Chatfield, Inwood and on and on and on. You can keep going right through, going west of here and you'll find many towns that have no proper access roads, so don't boast that you give the people access roads. At least mention them, enumerate that we've got a few places where we have built proper highways and proper roads but don't include the whole of Manitoba and don't boast so much. Don't think that you can never be wrong. I'm sure that most of you make mistakes and we know you do. We can see it on this side too. I don't say I never make mistakes. I probably -- presently sitting make a few mistakes, maybe one every day, maybe two, maybe more. Bring them to my attention.

Most of these roads leading to these towns and villages I just mentioned are dirt and gravel roads. These roads I will say, and I agree with the Minister and I hope he does something about it. He just told us that they are health hazards because they give people asthma. I take his word; he's a medical man. I hope he does something about it. They are dust hazards. They are dangerous. They are a health hazard and as one of the Ministers of the Cabinet why doesn't he do something about these roads? He hasn't done anything so far to improve these towns I have enumerated. Nothing. I tell him that it is time that the government got off their hands and did something, not just spread this false propaganda among the people that they believe. That isn't enough. Let's show action. It's time you quit bragging and showed action.

Now I'll just go through my own constituency, in my own constituency.

HON. J. B. CARROLL (Minister of Welfare)(The Pas): I thought we went through that one already.

MR. TANCHAK: What about this government? What has this government done? True, 59 was started by the previous administration. It isn't complete yet. The Minister mentioned seven years -- seven fat years. That reminds me of the story in Egypt -- 7 fat years -- 7 fat and 7 lean. In those 7 years -- I'll just say a little over 6, even the 59 hasn't been completed to the border. From across the border they have a black surface road. Now let's go farther up. What about No. 12? The previous administration had started working on No. 12. Had a good start, almost to the Piney corner. What did the present administration do? They black surfaced a short distance, something around 12 miles from Piney Corner to South Junction but the rest of it is still dust -- gravel and dust. The people are eating dust and why do I say eat dust? Because they've been treated as second-class citizens by the present government. They waste -- not because the government isn't spending enough money. The government is not spending enough money in the right places. I'm not finished. -- (Interjection) -- You can have your hee haw. You didn't allow me to finish. The government is not spending enough money in the right places. Spend all you like on the highways but eliminate waste. The government

(Mr. Tanchak, cont'd.) . . . is spending money irresponsibly right and left in many instances and this has been proved. If the government was not so wasteful and spent the money in the right places we would have had those highways built like the present government -- (Interjection) -- You may ask your question when I'm through.

A MEMBER: What about that story about Egypt John?

MR. TANCHAK: Now what about No. 12. I said No. 12 wasn't completed yet -- No. 12 to Middleboro where there is . . . -- across the line we've got a black surface highway. Now let's come back to the Morden-Sprague an old contentious road and I remember well some of the front benchers coming in that area and talking, you people deserve better treatment than the present government is giving you; you people deserve good roads; you're the pioneer settlers; you are one of the first settlers in this area. Isn't it a shame that you have to travel over roads like these. And I see some of those people smiling right now in front who said those words and they're sitting facing me right now. -- (Interjection) -- Never mind, I don't want to call names. But now the same people are using the same dusty roads, they're bumping over the same roads. Where is the promise? But the Honourable Minister from Gimli he's enjoying all the privileges; but we are not enjoying those privileges that the government should give all of Manitoba.

MR. JOHNSON: Is he accusing me of something here, Madam Speaker?

MR. TANCHAK: No, Madam Speaker, I wouldn't dare accuse the Honourable Minister of any mischief whatsoever.

MR. JOHNSON: . . . the honourable member to be good to me.

MR. TANCHAK: I am trying to be very, very . . . I've just invited the Honourable Minister to come into my area and treat my patients that eat up the dust for asthma. Now let's come back to Winnipeg just for a minute and how does this propaganda work? This efficient government propaganda. We've got the perimeter road. Who started the perimeter road? Who formulated that plan?

A MEMBER: How long ago, John?

MR. TANCHAK: Years ago, before the present administration. -- (Interjection) -- You're right and it is not finished yet. Very little has been done. Take for instance the overpass on the No. 1. -- (Interjection) -- They're not spending on mine either. Maybe they're spending on yours, you're a Minister too. You're a Minister too and I would not be surprised.

A MEMBER: Oh, there's no roads up there.

MR. TANCHAK: Highway No. 10? You're a Minister. What about this perimeter? Why hasn't it been completed by now. If you're such road builders why should you not complete it before now? What about that interchange on the No. 1? I remember that they were working on it not so long ago for almost three years, digging around, digging around and if somebody checked with that I'm sure that there was some money wasted there. I haven't got the proof now so don't as me for proof.

Maybe the answer is this, just what I mentioned before but I would like the member to call a spade a spade. It's easy to pick out some one little thing and brag about it. I lived in that area for five years, the area not far from Gimli. I taught school there for five years. I know the area and I've been in that area this year. Sure there are improvements, yes, in Gimli, but farther north there are not so many improvements. I mentioned Poplarfield before. There's a little patch of gravel road but that's still a nineteenth century road. What about the twentieth century roads that these people promised the taxpayers of Manitoba? They're just non-existent.

Now I started this off about the Premier bragging about, "ask the people about the highways." This is the answer about the highways. There's so much money wasted that the highways at present are not adequate. The Honourable Minister didn't like me to criticize schools. Well that's his answer for the roads as far as it goes. And it's understandable. He's the Minister of Education. I wasn't criticizing him. He wasn't responsible for what happened before he became Minister. Probably he was partially responsible but not wholly responsible. The Honourable Minister the Attorney-General was at that time. And I have been consistent, I have sit there every year; and I did not say that the people are unhappy all over the Province of Manitoba. The Honourable Minister of Education says that some of the people are happy, they don't believe in centralization but that's not . . . --

(Mr. Tanchak, cont'd.) . . . centralization, I believe in it. The thing that I tried to stress, the problem that is before Manitoba now is that these schools are not adequate enough. In some isolated areas you can't help it but when you go all over Manitoba and you look into these divisions and I wonder how many tens of millions of dollars was wasted in that manner by rushing those divisions through -- and those schools -- the Minister cannot disagree with me that those schools -- not all of them but most of those schools pretty soon will be obsolete because they can't take advantage of the present curriculum, the curriculum that is coming. -- (Interjection) -- I wanted divisions, the right kind of divisions, but not broken up divisions that mean nothing to most areas. In Winnipeg it works perfect I imagine because it was large and in large towns they are good and I just wish and I hope that the same kind of divisions would have been formulated all over the Province of Manitoba, not broken up. So I will repeat that again, that millions of dollars were wasted, not exactly wasted, they've built up those schools but they're useless. You can still teach in them but they're not adequate. I shouldn't say they're useless but they're not adequate. They cannot take care of the curriculum. And that's my answer on the schools.

Now as far as parks. The Honourable the Premier said ask the people about our parks. Sure there are some parks in some areas but there are many areas that haven't any parks. I know certain areas that have been clamoring and asking for parks in certain spots. The government turned them down.

So you've got the three main ones. I don't think the government has so much to brag about, as much as they do brag. And I think that this efficient propaganda is beginning to backfire.

MR. JAMES H. BILTON (Swan River): Madam Speaker, if I may say a few words at this time. As a fellow Manitoban I couldn't help but get up at this time. I'm perfectly amazed at the remarks that were made by the previous speaker. He talks about the government bragging. Who is the government? -- The people of Manitoba. He said that the Minister from Gimli got pretty nearly everything he needed. Well I'd like to tell him a thing or two as to what happened in the area that I came from and I wasn't a politician at the time either. I want to tell him that during the last six years no less than five high schools have been built in our district and are serving a wonderful purpose. Some \$2 million was expended in those schools and I'm perfectly sure that we could have never afforded those schools without the help of the taxpayers throughout Manitoba. We have a senior citizens' home in which I was very interested in. It cost us \$240,000 of which the government gave us a small grant. The rest we got out and worked for and built. We have a hospital too. I've heard some mention made of the raising of the 20 percent here in Winnipeg, some question of that matter. We're not worrying about the government giving us the 20 percent, we're getting on with the job. We passed a debenture issue for something in the neighbourhood of \$400,000 to get this thing underway. Naturally the provincial government are helping and also the federal government. This is long overdue. He talks about roads. He hasn't been around or if he has been around he's been going around with dark glasses because we have roads and good roads, particularly in northern Manitoba.

MR. TANCHAK: I know you have.

MR. BILTON: I want to tell him of one little instance to keep Highway No. 10 on the way in order that people could use it. Through the bog fourteen miles was a miracle produced by this government. They fixed that road up for all the -- a beautiful road. Come up and see it some time.

MR. TANCHAK: They got the credit for that road.

MR. BILTON: Community pastures. We have a community pasture to the investment of some \$75,000 in the last few years. All those things are going. And ask the Honourable Member for Ethelbert about the park lands in our country. The Honourable Member for Emerson was talking about pleading with the government for parks. We have some of the greatest natural park land in Manitoba. If people will only come out and see it it is ready and waiting for them, being improved at all times by the government, Madam Speaker, and not waiting at all. There's Flin Flon and there's Thompson, the highway into Thompson. I don't know how many millions of dollars will be spent before that gets into operation and it's possibly only months before it will be in full operation. Something for those people. The Member for

(Mr. Bilton, cont'd.) . . . Emerson in his appeal today I'm sure hasn't done very much for the people in southern Manitoba, because if everything is as he says, somebody's been sleeping for the last 80 years, because the north is opening up, Madam Speaker, and it can't wait, and it needs the help of southern Manitoba to open up that wealth. What we need is people and money. The wealth is there if only we'll get into it and work for it.

MR. E. R. SCHREYER (Brokenhead): Does the Member from Swan River equate park land with park? What does he mean by park land? Does he mean improved areas? I didn't quite understand that.

MR. BILTON: Probably the Honourable Member's idea of a park as opposed to mine is somewhat different. I believe in getting into the natural habitat when we want a park. Something that is natural that we can all enjoy, nothing artificial. I know the concentration of the large part of the population is in southern Manitoba and probably they are lacking parks in order that those people can go and enjoy the sunshine. I merely mentioned it in passing. We have the roads to take the people and they can have the time of their lives if they want to come.

MADAM SPEAKER: Are you ready for the question?

MR. ARTHUR E. WRIGHT (Seven Oaks): Madam Speaker, I find it rather difficult to make a speech at this time not only because much of the subject matter has been covered but because of the dust that's been blowing around this evening. This bill, Madam Speaker, I would like to call a panic bill, because I am a little at a loss to understand why the government called this session so fast. I didn't think that they would call it till well on in the Fall because I think the Premier was wise in asking the advice of the municipal men before he took on the subject of increased taxation. I believe though that his mind was changed when the Chambers of Commerce and the Retail Merchants and other groups went right after him. I think that this once again proves that it is a party representing more or less big business. I don't think there's very much difference between either the Liberals or the Conservatives in this regard because it's a matter of principle, this tax. When the chips are down and you have to get the money then this is where we separate the men from the boys. To give a fifty dollar rebate on municipal taxes and then to take it back in this manner, to me it is not right. The municipality of West Kildonan presented a brief to the Royal Commission on Local Government and Finance last year. Much of the material in the brief came from a booklet called The Burden of Canadian Taxation, by Professor Irving J. Gothman, noted authority on taxation, and in the brief presented by West Kildonan to the Commission, it showed a table of taxes as a percentage of income, the effective rates by levels of government 1957, and it is interesting to note that federal taxation is a progressive form of taxation because it rises quite steadily. For instance, with taxable incomes of \$1,000 and under, the federal tax is 11.6; for \$2,000, it is 13; \$3,000, 13.8; and up to \$7,000, 24.3. It's a graduated tax based on the ability to pay because it's an income tax. It's interesting to know that the municipal taxes, on the other hand, have a curve downward. The more real property you have in a municipality the less your taxes are in proportion. Provincial taxes by the way are practically constant. Their effective rates remain constant for all levels of income.

Now we hear a lot on this side about going too fast too far. I feel compelled at this time to make some comparison between the governments we've had here in the past few years, because I had the honour of serving in the municipal field during that time. The former Liberal government under the Honourable Member for Lakeside was a government trying to do their best under the conditions that existed at that time, and they prided themselves on being able to pay as they went along. But in 1946 came a boom in Manitoba where municipal councils were faced with the building of schools and roads and suchlike, but our provincial government at that time held steadily and tenaciously to the old theory of "the people are not ready for this yet." So it was like a breath of spring air when the Conservative Government was elected in June of 1958, because -- and I might say Madam Speaker, that they had quite a field day spending all the money in the various socks that had been stored away -- they made themselves quite popular. Now we on this side have always gone along with the money they spent because it has been put to good use. We voted for the larger school division because it was long overdue -- a new deal in education was long overdue in Manitoba. It has been said that we on this side are just rubber stamps for the Conservative party -- we in this corner I should say -- but this is not true. We have steadily said that where we think good legislation is being presented we will

(Mr. Wright, cont'd.) . . . support it, and this we have done. But now we come to the parting of the ways because this money that they fell heir to by the careful administration of the Liberals has now been spent, and now it is a matter of principle because we say they're not going too fast too far; in fact they're not going far enough. All you have to do is to look at the wretched system of medical care in this province to find that. What is important, and we have said it, we know it's going to cost money because we want higher education for our children; we want to make this world a better place in which to live, and we're quite willing to pay for it. The whole thing as I see it, Madam Speaker, is where do you get the money? A sales tax is a pernicious thing in my estimation. It's not like an income tax where you have to have the money before you are taxed, and I say again that I think it was because of the pressure of the Chambers of Commerce and these other groups that made the government change their mind.

Now in the municipal field it was quite evident to both of us there that real property taxes were getting too high. We found in our community that many of our old age pensioners, because they were caught in the period of '46 to '56, a period of great growth, where they had to pay for sewer and water, streets, paved lanes, in a short period of time -- and I might say schools in the period 1946 to '50 were paid for some of them over such short periods as five years, and this was very taxing on the municipal taxpayer. However, many of these people found themselves unable to pay the taxes in the homes that they built, modest homes, in the homes they built 40 and 50 years ago. This was a state of affairs that no one wanted to see. The Murray Fisher Commission recommended, as we in our party advocated for many years, some relief to the real property taxpayer, and it argued that as a matter of principle that the things that are associated with property should be borne and paid for out of property taxes, such as public works, police and fire protection and the like, but it said that such costs as social welfare, education, should be the responsibility of the province.

Now the other commission, the Micheneer Commission also stated that too, but it did suggest and it gave comparisons to show the amount of money that could be raised by the various types of taxation and suggested a sales tax. We will oppose a sales tax because to remove the burden from one shoulder to the other is not a relief at all, and to give a person or a taxpayer \$50.00 relief on his real property tax and then to tax such things as his utilities, light, water, is not to give any relief at all, and I'd like to say briefly something on this land transfer tax. To me it's a land sales tax, and when I think of the huge resources of this country, our huge timber resources in British Columbia, and I think of the amount of material it takes to make a home for a young couple starting up, I think again of the tremendous struggle in this country to try to own a home, and then I think again of the tax that's proposed here, where they want to take one percent as a tax on the buying of a new home. Now these young couples sometimes work. The girl will work for two or three years in order to get \$700, \$800, \$900, maybe \$1,000 for a down payment. Right away they are faced with the legal fees of buying a home, plus all the other things that go with setting up a new home -- we all know what it is: drapes and landscaping and all this sort of thing. They have legal fees of \$100.00, and now if they buy a modest home of \$10,000 they are going to be forced to pay \$100.00 sales tax for the privilege of buying this home, and I think this is placing taxation in the worst possible place.

I know I don't like income tax but I have to admit when I search my conscience that it is the fairest tax. I have to say that I'm lucky that I'm able to earn that much money and therefore I should count my blessings and not complain. I don't subscribe to the fact that we are over-taxed. Where do we get the money to pay for the things we so dearly want, and I say we haven't begun to scratch the surface for the things we have to have. In this day of 1964 we hear much more of geriatrics. People are living longer today so that we have to spend money to look after our old people. The tax-paying group is getting smaller in proportion. We have more people now from age zero to fifteen and many more from 65 upward. The working force or the tax-paying group in proportion to the total population is growing smaller. Our welfare rolls are growing too out of all proportion, and unemployment is something we haven't yet solved so that there's a tremendous strain on the people in the tax-paying group, so I think it's all the more important that we try to place this tax equitably. When you go before a Court of Revision, Madam Speaker, in the municipality and you challenge the assessment on your home, you have a very poor argument when you say "I'm paying too much."

(Mr. Wright, cont'd.)

Assessors are people that I have the highest respect for because they are only interested in one thing and that is equity. They will say that we make mistakes like other people, and if we have made a mistake we will correct it, but our job is to try to assess your home as fairly and honestly as we can, so that you are paying your just proportion of the money needed to run the community, and if you have an argument that Joe Blow's house down the street was built the same time as yours by the same contractor with the same layout, the same number of cubic feet, and there is a difference in taxation, then you are on solid ground. But the point is that equity is the keystone to the whole thing. And I would say here that I am not unhappy about new taxes for the things that we really want. But I am concerned about how we propose to raise this money. And I think that this camouflage type of sales tax shows neither courage nor prudence. I think that the Premier would have been well advised to have taken a little longer to look at it, not to have been badgered by groups such as the Chambers of Commerce and others about how it is going to affect them. I think that the municipal men probably could give him the best advice. Now we all know that the load on the municipal taxpayer, the taxpayer who is paying on real property, must be lessened. And I say to the government that they should have had enough courage to try to get the money where they know they can get it, and that is income tax, because you have to earn the money before you are called upon to pay the tax. I might say, Madam Speaker, I am very disappointed, because as I said before there has been some progress in Manitoba. This policy of going too fast too far of course belongs in the days of the horse and buggy, and I am disappointed that this government hasn't continued along the way they started, but as I said at the beginning, this is the way you separate the men from the boys when it comes to taxation, and they have done exactly as I expected they would; and I am sure that the people of Manitoba will take a very dim look at their proposals.

MR. J. M. FROESE (Rhineland): Madam Speaker, I beg to move, seconded by the Honourable Member for Brokenhead, that the debate be adjourned.

HON. GURNEY EVANS (Minister of Industry & Commerce)(Fort Rouge): Madam Speaker, I would think that if the honourable gentleman would agree, and I am sure he would, that if anyone else cares to speak tonight they should be allowed to do so.

MR. FROESE: I am quite agreeable to that.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Madam Speaker, I did not intend to speak. Nobody believes me, Madam Speaker, so there is no use pretending. I would like to. -- (Interjection) -- I am not making any promises. I will put myself in Madam Speaker's hands. I think she'll be able to control me and protect me.

Madam Speaker, I rise to speak about this bill for a number of reasons, not the least of which is the fact that there are some reforms in the policies of this government and of this province which require the additional revenues that this bill provides for. However, we have once again heard a member of the Legislature advocate raising these monies by way of income tax, and we heard a very public-spirited man, a very dedicated man -- I say this in all sincerity about the member for Seven Oaks -- express his personal feelings about taxation and his personal conviction that when a man is fortunate enough to have a good income that he shouldn't mind paying the kind of taxes that are required if we are going to make progress materially for our people. And I don't doubt for a minute that he believes this, and that it wouldn't really matter how high you put the income tax in Manitoba, the Honourable Member for Seven Oaks would, if the money were being used for good purposes to help the people, he'd be glad to pay it. But, Madam Speaker, the fact is that not everybody, not everybody takes the view that they want to pay all the costs or even the greater part of the costs on the basis of higher and higher income taxes.

I mentioned last night that we have at this time the dubious distinction of having the highest provincial income tax in Canada, or one of two of the highest, that we believe that it is essential that we lower, not raise it. Now, the Honourable Member for St. John's took me to task and said that he didn't have very much trouble following me. Well, I don't doubt that. I'm just a plodding pragmatic farmer, Madam Speaker, and nobody would have very much trouble keeping up to me. But I would like to ask him how many more points he thinks we could put on the provincial income tax. It's now 23 percent of the federal tax that is payable. It costs \$1 million to lower it one percent, so that means that in order to get \$20 million you

(Mr. Hutton cont'd). . . would have to at least double and since we know that all of these sources of wealth or of income, when you tax them to the hilt, show diminishing returns as the tax goes up, I am not sure, not being an actuarial, just how much higher it would have to go to bring us that \$20 million but I wonder how many people would stay in Manitoba if you had, say, a tax of 40 percent on the federal tax payable. I wonder how many executives of companies would be advocating to their companies that they move their head offices out of Winnipeg and into jurisdictions where the taxes weren't so high. I wonder as a result of this how many people would lose their jobs here in Manitoba. I wonder, Madam Speaker, if the honourable members have ever given any thought to this. With all due respect to them, and I know that they are dedicated people and they believe the course of action that they advocate, and as much as I love human beings and I respect human nature, I am also realistic about human nature. And I know that if Manitoba through its policies makes other pastures look greener than we are going to suffer here. And so I have to reject this idea, because, if some people who aren't as fortunate as others feel that they would gain by having a revenue come from higher income tax, I'm afraid they deceive themselves, because I'm afraid they would be killing the goose that laid the golden egg. I'm afraid that they might do themselves out of jobs, and I mean that seriously. Because if we, through our policies, make some of our citizens feel that they are being discriminated against in this province as opposed to other provinces, we cannot avoid the inevitable consequences that they are going to be influenced to advocate that their jobs should be moved elsewhere where they are not subject to these kind of punitive tax laws or tax policies.

Now, some have seemed to take the attitude that the government has been cowardly in its approach, that it hasn't showed leadership, that we should have --we did lots of homework, believe me. Madam Speaker, they seem to feel that we were afraid to do the thing that was necessary. Now what was the thing that was necessary? They talk all around the point but none of them tell us where to get this money. None of them tell us where to get this money. Income tax, yes, well we've dealt with that one. I want some other alternatives. I want some other alternatives --

A MEMBER: Capital gain.

MR. HUTTON: Capital gains, yes, and there's mining royalties. Yes; well we have dealt with that one. We have dealt with that one-- we did raise that. We did raise that. But how much --(Interjection)-- Yes, and if we raise it --(Interjection)-- Peanuts, and if we raise it to the point that the honourable members from the NDP would want us to, we wouldn't have any mines either. I am not wrong there. You cannot raise, you cannot raise, Madam Speaker, any tax to the point where it becomes punitive, and expect to have any growth or any development in this province. You cannot sell this idea, as attractive as it may seem. "Let's tax the big fellow. Let's tax the corporations. Let's tax somebody else." You can't --It's a good philosophy for certain purposes, but it won't build the economy of this province. Now, we had an alternative; we had an alternative and we gave it a great deal of consideration and that was a sales tax, a sales tax --(Interjection)-- Oh, that's what the honourable members in the Opposition call it that's what they call it, but they want the alternative to this and let no one make any mistake about it. The alternative is a sales tax. And if they would sit down with a pencil and a paper and do a little simple calculation, they would find out that it was unbalanced --not nearly as attractive as the taxes that we have raised and-- I shouldn't say attractive, because there's nothing attractive in a tax, but it was the lesser of two evils to do what the government is recommending to this House than to impose an overall sales tax on this province. Now, --(Interjection)-- counterfeit did he say? --(Interjection)-- It's coming? Well, they say that the end of the world is coming too and it's inevitable. I believe that personally, just as much as the honourable gentleman. You'd sooner get the sales tax? Well that may be, but you're not getting the sales tax right now. That is not being proposed --that is not being proposed by this government. Well, what did you call the gasoline tax that we had up to this session? --(Interjection)-- Yes but my honourable friend from St. John's is splitting hairs now. When people said about Manitoba and Alberta that they were the only provinces in Canada that didn't have a retail sales tax, they ignored the fact that there was a sales tax on gas according to the honourable members opposite. They ignored the fact that there was, according to them, that there was a sales tax on tobacco. --(Interjection)-- Oh, well, now they're taking issue with the people of Manitoba. They're taking issue with themselves, Madam Speaker. They're taking issue with the stand that they have taken all these years, that we don't want a retail sales tax.

August 25th, 1964.

(Mr. Hutton, cont'd). . . . They didn't call this thing a sales tax in years gone by. They prided themselves, like everybody else in Manitoba, that we were free of it. Now they turn around and they call these things sales tax. For all purposes. This is a ridiculous argument that they are putting forth but it's beside the point. It isn't even pertinent because the issue is this, just as plain as this. This government is proposing to transfer the tax load from real property to provincial taxes, and it's going to use up almost half of the estimated income from this tax bill to do that. And in addition to that, --(Interjection)-- Oh, create a surplus. In addition to that --you can't consider the facts as set out here. . . .

MR. RUSSELL PAULLEY, (Leader of the New Democratic Party) (Radisson): said them so I guess we can't consider them as being facts because he said them.

MR. HUTTON: Madam Speaker, it appears to me that the Honourable the Leader of the NDP is suggesting that when the Provincial Treasurer and the First Minister of this province gets up and estimates that the income from these taxes is in the neighbourhood of \$21 million, and that the estimated expenditures to cover these new policies of the rebate on school taxes, of the new road program for Manitoba, of the new drainage program for Manitoba, of the reduction in income tax for Manitoba people, of the grants in lieu of taxes to municipalities, what the Honourable Leader of the NDP is saying is that there's something funny with these figures. It is a million dollars.

MR. PAULLEY: That's right.

MR. HUTTON: Well I would say, Madam Speaker, that it isn't bad estimating. When you estimate your income and your expenditures within five percent, I think it would be pretty --venturing into a brand new field as we are here, a government couldn't be faulted if it wanted to have a five percent margin on its estimates. They're faulting us for wanting to have a five percent margin on our estimates of cost in a program that is brand new, that we have never gone into before.

MR. PAULLEY: Madam Speaker, will the Honourable Member permit a question?

MR. HUTTON: No.

MR. PAULLEY: Very convenient, because I'd pin your ears behind your neck.

MR. HUTTON: Well, Madam Speaker,

MADAM SPEAKER: to continue.

MR. HUTTON: Madam Speaker, they're faulting us for introducing these tax measures into Manitoba. They're faulting us because we are introducing these new programs and let me list them again: A transfer of the tax load in Manitoba from real property to the provincial tax base of almost half of the taxes that we are asking the people to pay into the Provincial Treasury under this new tax policy. They're faulting us for bringing in a \$7 million road program in Metro Winnipeg and in the Province of Manitoba which will greatly reduce the burden of modern transportation from the municipalities, from local government. They are faulting us for trying to improve the drainage systems of Manitoba and for removing what is becoming a very onerous burden upon the local finance and organization of local government in this province. They are faulting us for bringing in relief from what we believe to be a punitive level of income tax in this province. They are faulting us for giving grants in lieu of taxes to the municipalities of this province in which government buildings and property is situated. This is what they're saying. They don't know what they're saying but this is what they're faulting us for, because let's get one thing clear, Madam Speaker, that we can't have any transfer of the tax load from real property to the provincial tax base; we can't have a new road program in Manitoba and the transfer of this growing burden of modern transportation responsibilities from local government to the province; we can't have it without this income. We can't have the relief from what we believe to be a punitive level of income tax in this province. This is what they've got to face up to. If you want one you've got to have the other. You know it's like what mother said to father, you know --love and marriage go together. You can't have one without the other. And this is what they've got to realize, that these new policies cost money.

Now the Honourable Member for Seven Oaks seemed to criticize the government because we didn't have the intestinal fortitude to go far enough. I seem to gather from what he said that we should have imposed more taxes and introduced more reforms in Manitoba. The

(Mr. Hutton, cont'd). . . government takes the point of view that the policies that they are advocating to the people of Manitoba are good policies, are in the peoples' interest, that even though they don't represent any saving in taxation in the overall, that it will shift the burden of taxation from local government to the province, and I want to close by dealing with one program --I don't know how many minutes I have left.

I want to deal with the program and policy that comes under the jurisdiction of my own department, that of provincial waterways, the proposition that the province should take over all the major waterways in Manitoba --the total responsibility for construction, the total responsibility for maintenance --and relieve local government of what is becoming-- I won't say intolerable, but a very heavy and burdensome responsibility. I'd like to go back a little bit, Madam Speaker, and review the drainage program in Manitoba. It was started before the turn of the century by the pioneers of this province in south central Manitoba, and they at their own expense issued debentures and they built these floodways to protect their lands and they reclaimed this land and it became one of the really productive areas of Manitoba. Well, they tried to go it alone, and you know, we all know, that Manitoba did have some difficulties and in the thirties --during the thirties-- the government of that day saw it as their responsibility to provide legislation and to provide support to help these people in the maintenance of these drainage systems. These drainage systems and others like them throughout Manitoba that have been developed in subsequent years, are inter-municipal in nature. If they are going to do any reconstruction on them it requires agreement between two, three, four, sometimes five or six municipalities; it would take a tremendous amount of negotiation and time on the part of those public servants who serve for so little, I think, on the local level, and it puts a tremendous burden on the local taxpayer when he is compelled to support the kind of projects that are being undertaken these days. I can think of, say the Hespeler Floodway, which is being redone at a cost of over a million dollars. I can think of the Morris Floodway and the Shannon Floodway and the Norquay Channel, and then there's the Grassmere Drain up in my own country, and these are tremendous projects.

Now I want to tell you that some of these big floodways that were built initially by these people, were subsequently, due to the Lyon Report which a former government provided for when they called for an investigation of drainage in Manitoba and in anticipation of a new policy with respect to assistance to local government, following the recommendation of the Lyon Report, the reconstruction of certain of these large floodways was recommended to be done on a hundred percent basis by the provincial government. However, according to the recommendation and the policy to date, when these floodways were completed they were handed back to the municipality and they were required to put up one third of the maintenance cost. Now Madam Speaker, when you build a million dollar channel, even though the maintenance costs in the early years, say the first decade, are very light, when the maintenance becomes necessary it is very costly, and we have built in the last few years many of these channels or floodways at 100 percent cost to the provincial taxpayer, but we have handed them back under the recommendations of the Lyon report to the local municipalities for maintenance, and under the provisions of that agreement we pay two thirds of the cost of maintenance and the municipalities have to pay one third. But one third of the cost of maintenance on these costly channels is extremely high and it becomes a real burden.

Now I'd like to say also that there are a lot of flood protection measures. There is a lot of major drainage in Manitoba that should be undertaken, but it is clearly beyond the ability of local government to raise their share of the cost under the present policy of the government paying two thirds and the municipalities paying one third, or under the municipal Grants in Aid program of the government paying 60 percent and the local government paying 40 percent; and it was in the face of this situation that we have the growing cost of drainage, the difficulty of getting municipalities together, and the Honourable Member for Neepawa knows all the difficulty when we tried to establish that watershed up there, and it's a natural difficulty because not everybody in the watershed have the same interest, and so it was felt that on all counts, on all counts of organization, of finance, of jurisdiction, that we should divide the responsibility between the province and between local government, and those drains and waterways which were of an inter-municipal nature, that were of a major nature, should be taken over as a 100 percent responsibility by the Province of Manitoba, and we should hand

(Mr. Hutton, cont'd). . . back to the municipalities those drains and waterways which relatively speaking were intra-municipal, that were of a local nature and that in size they were able to handle financially, and I'd like to tell the honourable members here just what the case has been in the past and what we think it is going to be in the future financially for the municipalities under this new program.

I have the figures here from '59 to '63 in respect to the total recorded expenditures on drainage works in drainage maintenance districts and in municipalities. And over the past four years up to the end of the fiscal year 1962-63, the average amount of money spent on drainage in this province, drainage protection works annually was \$2,063,970.00. Of that, \$863,140 was the municipalities share and \$1,200,830 was the provincial share. In other words, 42 percent of the cost was being borne by the municipalities and 58 percent was being borne by the province. Under what we propose at the present time to start off with --or let me put it this way. If we had done all the work in the past four years under the policy that we are proposing today, it would have cost the municipalities \$832,540 and the province \$1,231,430.00. Now immediately you are going to say to me, "Heavens, there isn't very much advantage to the municipality . There's only 2 percent, only 2 percent difference. Where it cost them 42 percent in the past, under this new policy it would have cost them 40 percent. That's not much of a saving." But I want to draw some things to your attention. One is that we have built all these expensive floodways and in the last five years many of them, and they right now require little in the way of maintenance, and so the one-third share to the municipality, their one-third responsibility, isn't showing up, but one of these days these floodways are going to require some maintenance and this maintenance is going to fall very heavy on the local municipality, and having the province take over this what we believe to be will be a growing maintenance cost in the future on these major floodways, by having the province take this over we limit, we limit the financial responsibility of local government for the future. --(Interjection)-- Now Madam Speaker, I'll talk about local drainage, but I want to finish this point on provincial waterways.

I say, Madam Speaker, that a lot of projects have not been undertaken in Manitoba --I shouldn't say a lot but there are some very critical projects that have not been undertaken in Manitoba in the past because they were simply beyond the resources of local government to even pay their share. They couldn't pay their share because they were really too big for them, and we know, we know very well that the minute we assume responsibility for these projects we're going to be under pressure to do them. I expect everybody will want them all done at once and it'll be quite difficult in a sense to find excuses why we can't do them all at once. But nevertheless, Madam Speaker, we want to do them as quickly as we can find finances to undertake them, and so we have said it's going to cost us a half a million dollars at least, more every year, in --well let's say the next five years. That's as far as you can look ahead. We see that we're going to have to put in what amounts to 25 percent more of all monies being spent today by both local government and the province into these drainage protection projects. We're going to have to put in what represents 40 percent more than we are spending right now, which is a pretty sizable --to my pragmatic farmer mind is a lot of money-- 40 percent of a million two hundred thousand. So it is keeping this in mind, that there are real advantages in addition to the fact that when you divide these responsibilities between the province and local government it comes out about the same as it was before. A little bit advantage but that's incidental because it depended upon the projects that were undertaken. Let's allow that there is no advantage or that the province is not gaining anything, it's not losing anything and the municipalities are not gaining anything not losing anything on the distribution of total monies available. But we are throwing into that 25 percent more monies than have ever been spent before or than the average expenditure of both the municipality and the province, and we do intend to undertake projects that have been sitting because local government couldn't afford to undertake them. And we do assume the maintenance of these costly projects in the future. And another important thing, some times in the past, because of the shortage of money by the municipalities and their inability to undertake the kind of works that should be done we settled for something less and all too often we realized our mistake when it was too late. And I know out in my part of the country that the farmers out there lost enough grain in 1962 and '63 to pay for the Grassmere Drain twice over, but it was too late, the crops were gone down the

(Mr. Hutton, cont'd). . . . drain, we had no drain, we had to start from scratch. So it's in the interests of achieving this kind of progress that we are introducing this new program and recommending it to the House and to the people of Manitoba --now on local drainage. I know there's been a lot of concern amongst the members that we're going to throw drains back on local government. Let me assure you this that under the present policy, and it is one that has evolved out of the policies of the former government, we considered the major drains as 60 percent drains where they were municipal responsibilities and 66 2/3 percent drains where they were under the jurisdiction of a drainage maintenance board or district. We intend to take over all of the drains that now qualify for 60 percent drains and 66 2/3 percent drains. We are also taking over some, a few, other drains which in the engineer's estimation they believe have developed into major outlets. All the remainder of the drains we are turning back to the municipalities. I have given you the breakdown here as to what would have happened during the past four years if this policy had been in effect. I cannot guarantee to you what the breakdown will be in the future. I cannot guarantee that it will be exactly the same, but I think when you take into consideration a four year period like this that chances are that our experience in the next four or five years is going to be somewhat like the past except that the Honourable Minister I know is going to have a lot of requests to undertake improvements on drainage protection works that haven't been done to date, and I

MADAM SPEAKER: advise the Honourable Minister that he has four minutes left.

MR. HUTTON: Madam Speaker, it's fortunate for the Minister that he has come to the end of his dissertation. I say to you that I believe that this policy that I have outlined that follows under my responsibility is good. I believe it's in the interests of Manitoba, not just the people who are going to benefit from it directly but for all the people of Manitoba. I believe that it will build Manitoba into a stronger province. I need the money, I need some money, I need half a million dollars more that I've had in the past. It's as simple as that Madam Speaker and I appeal --knowing full well that they will turn a deaf ear-- I appeal to them, I appeal to them to give us the money that we need to move ahead with these progressive and humane policies for the people of Manitoba.

MR. NELSON SHOEMAKER, (Gladstone): Madam Speaker, would my honourable friend permit a question without considering that I have spoken here. He said that one percent provincial income tax resulted in a revenue of a million dollars, I believe --that is the present 23 percent produced revenue of 23 million. Does that include the corporation tax or the personal income tax? That's question number one. And number two, would he care to state the amount of revenue the hospital premiums produce and the federal contribution in this field?

MR. HUTTON: Madam Speaker I don't know anything about the --when he gets into the field of hospitalization I bow to the superior knowledge of the Member for Neepawa. However I do know this, that it costs \$1 million to reduce the provincial income tax, or it will cost \$1 million to reduce the provincial income tax from 23 points to 22 points.

MR. SCHREYER: Madam Speaker, I do not intend to speak very long on Bill No. 2 but I rise to speak mainly because of the debate that has taken place here in this Chamber earlier this evening, and tonight, unlike last night, I shall follow the Minister of Agriculture. He's of course a good debater and he succeeds in twisting a few words just to get the right connotation favourable to himself and that's precisely what he has done with the term "pragmatism" because I certainly didn't indicate yesterday that I thought pragmatism was something horrible. It's complete, but complete pragmatism that I objected to, the kind of pragmatism that doesn't leave any room for principles, not even a little bit of principle when it comes to politics and taxation policies. But without being so general and vague, Madam Speaker, I want to take the few minutes I'm going to use to narrow discussion down to a few specific points.

Now first of all the Minister of Agriculture mixed it up with members on this side as to the distinction between a users' tax and a consumers' tax, and what's really the big difference between a users' and a consumer retail sales tax? The difference isn't really worthy of any great discussion and so I shall leave it at that. But I do want to make this point very clear, that it's true that you can have a shift of the source of taxes --now in effect this is

(Mr. Schreyer, cont'd). . . what the government is doing with Bill No. 2, they're going to shift somewhat the source by which they're going to raise revenue. But they're not shifting the incidence Madam Speaker, they're not shifting the "incidence" of the taxation. It's remaining on the same people for the most part; for the most part it's remaining on the same people and therefore without any shift of incidence of taxation where is the relief? Now that's the point. And he takes so much umbrage and exception to the position that we in this group have taken on the matter of taxation here in this province; and there's nothing really silly about our position, it's very clear and simple. We say that when you must tax, tax those who can best afford to pay. Why tax those who can least afford to pay? Why tax those who can afford less to pay? Tax those who can best afford to pay and that seems to me to be a very simple and logical position and stand to take --and that's exactly what we're saying.

The Minister of Agriculture --I'm sorry he's left-- it's beside the point because I'm sure that he will hear about it either directly or indirectly -- he reminds me of the old English aristocrats who took so much exception to income taxes when they were first levied back some 50 or 60 years ago and his position was, if there's going to be income tax then I shall not be able to pay my foot servants, my liverymen and my butler, etc., etc. and they shall all be unemployed. And that's what he's worried about --about the executives, those who work in executive suites and live in high-rise apartments; he's worried about them. I suggest to the Honourable Minister that they've always managed to make out rather well and I suspect an increase of a few points in income tax is not going to cause them to have any patches on the knees of their pants. --(Interjection)-- He'll make out all right too, he's so practical.

Madam Speaker, the fact of the matter is that during the course of the past two hundred years society has been moving slowly but steadily away from taxation that is regressive. There once was a day when all taxes were regressive, in the days of prerevolutionary France, when the only people who paid taxes were those who toiled and sweat for a living on the land, and the nobility they paid nothing. Well we've moved away from that gradually into the twentieth century where first income tax and then not just income tax but a progressive income tax and I hazard to say that 40 or 50 years from now we shall be very much closer to a taxation system that is as close to being completely progressive as is humanly possible --and I know the Member for Lakeside will find something in that statement to make mincemeat about but I stand by it.

I would like to ask the Minister of Agriculture, and more particularly the Member for Burrows, what they consider to be the major determinants of an economy; the major stimulants in an economy. I suppose they would put the income tax level as being one of the major determinants of the level of economic activity; and I would like to take --perhaps it's unorthodox now but I don't think it to be so-- I should like to take the position that the level of income tax is not the major determinant of economic activity in a society. It is purchasing power of the many --purchasing power of the many in society that determines whether a society is high-balling into the future-- like Manitoba presumably is if we are to believe the Minister of Industry and Commerce and his planted story in the Toronto Daily Star, or the Toronto Weekly Star.

MR. EVANS: What was that?

MR. SCHREYER: I was saying that the Minister of Industry and Commerce likes to give the impression in his news releases and so on that Manitoba's economy is highballing into the future. That's merely what I said.

MR. EVANS: I do.

MR. SCHREYER: And furthermore, Madam Speaker, and still on this same point, I would also say that a fairly steeply progressive income tax does not take away from the initiative of the entrepreneur and the businessman as the Member for Burrows would like us to believe. Because look at it this way. Today we have, relative to the 1920's a very steep progressive income tax and I cannot simply believe that the Member for Burrows could be any more zealous and aggressive in business than he is at the present time. Would he tell me that in the 1920's with income tax lower, as it was, that he would have been more zealous and aggressive than he is now. No, I believe that it is simply part of human nature for those who are endowed with the capacity to simply go out and do the best they are capable of and

(Mr. Schreyer, cont'd). . . they will do that whether the income tax is 20 percent or whether it's 30 percent. And so therefore Madam Speaker I think that all of these attempts by members opposite and the Member for Burrows --all their attempts to strike the fear of the Lord into us and into other people as to what would happen to our economy if we were to have an income tax somewhat slightly higher are really futile and simply don't stand the test of analysis. But Madam Speaker, let me make one thing clear. The position that we have taken on the issue of taxation in this province --it is at least an alternative; the people of this province have an alternative. What is put as an alternative by the Liberal Party to my right? As I listened to them I couldn't detect anything in the way of an alternative. I know that the Member from Emerson is opposed to these taxes in Bill 2 and he would like to see yet -- however, he would like to see more spending, or if he's in favour of less spending I would ask him what services would they propose to cut?

MR. TANCHAK: Cut waste.

MR. SCHREYER: Ah, they're going to cut waste. Now they don't tell us what they're going to do differently except that they're going to do it better. But how will they do it better? In order to do it better they will have to do something different. --(Interjection)-- Oh yes, Ross Thatcher in Saskatchewan. At least the Liberals in Ontario have had -- shall I say gumption to -- many Liberals in Ontario have had the gumption to renounce him; unfortunately Liberals in this province haven't seemed to have done so yet. But let me finish. Without telling us if they're going to cut down on services, without telling us where they're going to get extra money, they're opposed to these taxes. They're opposed to waste and that's where they're going to save all of the money. Well it so happens, Madam Speaker, that it is true that a few months ago Canadian and American public opinion polls were conducted in certain selected suburban communities in Canada and the U.S. and it was found that among the suburban taxpayer, citizen taxpayer, the one big beef against government was waste; and I suppose the Liberals, true to their name and colour, have decided to make this an issue because it's popular to reduce waste. But the Liberals in this province have had opportunity in the past few days to indicate where the waste is that this government is guilty of, how much there is and what they would do about it and so far I've been able to come up with the grand figure of \$80,989.00. That's how much waste they have shown and apparently they're going to cut out that waste and they are going to balance the budget. And all I can say to them is if this is the only alternative you have to tax bill No. 2, then God bless you.

MADAM SPEAKER: Are you ready for the question.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Madam Speaker in the absence of the Honourable Member for Rhineland, I'll take the adjournment. I move, seconded by the Honourable Member for Lakeside that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. EVANS: the motions, the resolutions on the Order Paper, Madam Speaker?

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Leader of the Opposition.

MR. GUTTORMSON: Madam Speaker, I'd like to have this matter stand please.

MADAM SPEAKER: Agreed? The adjourned debate on the resolution standing in the name of the Honourable the Member for Ethelbert Plains. The Honourable the Member for Rhineland.

MR. EVANS: in the absence of the Honourable Member, Madam we should allow this to stand.

MADAM SPEAKER: Agreed? The adjourned debate on the proposed resolution of the Honourable the Member for Selkirk. The Honourable the Member for Brokenhead.

MR. SCHREYER: Madam Speaker, I would like indication from the House Leader if he wishes me to proceed or if he insists that I proceed. I would rather stand it.

MR. EVANS: I wouldn't think we would want to insist. The Honourable gentleman has been a little bit busy tonight. I want to make sure that everyone had an ample opportunity to debate these resolutions and perhaps my honourable friend would agree if anyone else cared to speak on this resolution in his stead he could do so now.

MADAM SPEAKER: ... Agreed to allow it to stand?

MR. EVANS: I take it, Madam Speaker that there is no one else who wishes to proceed on this resolution at this time. Then in that case I am sure we would agree to allow it to stand.

MADAM SPEAKER: Agreed. The proposed resolution standing in the name of the Honourable the Member for Burrows.

MR. SMERCHANSKI: Madam Speaker, do I have to move this resolution? I'd like to move, seconded by the Honourable Member from LaVerendrye: "whereas there is a growing public concern with the ever-rising cost of government administration, and whereas there is a continuous need for close scrutiny of government departments to determine if the expenditures of our tax dollars are efficient, therefore be it resolved that a committee of the Legislature be established to make a study of the type the Glassco Commission undertook for the Federal Government and report on all phases of provincial government efficiency in this province."

Madam Speaker presented the motion.

MR. SMERCHANSKI: Madam Speaker, I think that in my few remarks that I will make under this resolution will in part provide some information on how I feel that certain savings can be accomplished in the administration of this government. I feel that we do not have enough consideration being given to new programs and their effect on the future operating costs, and as mentioned previously I think this is part of the reason why we are being asked at this session to provide for additional revenues in the form of taxes. In this government there are many branches who undertake various research projects. The size and advantage of these research projects are not fully and properly analyzed and I think that there should be some type of either departmental or a over-all approach on a proper control as to the cost and time required to make a proper study of such research projects. The other item would be that department estimates could be prepared on the basis of actual expenditure rather than being based on the basis of standard expenditure. This would call for possibly a change in the method of preparation of the estimates. Thirdly, budgets should be prepared along the line of an industrial budget and this budget should bear a direct relationship of revenues and costs. If the government does render a particular service in this direction then somebody should be responsible to analyze this service and a fair charge made. Fourthly, on new programs and new projects a forecast of expenditures should be made not for the one year that is approaching but should be made on the basis of five years in advance in order to get the proper perspective and the proper amount of money required over the ensuing years to arrive at the total cost of the project. Because too often you are presented with a new program and you're told that it'll only cost you a mere \$10,000 in the first year, but then in the second year you're faced with the cost having increased to possibly 40 or 50, and so on in the third and fourth and fifth year. The fifth point I'd like to bring up is that departments and agencies should be given the necessary financial authority and be held completely responsible and accountable for the effective management of the funds that are placed at their disposal for specific purposes. Proper control of money responsibilities should be placed with the various departments in order that funds are available for designated projects and not spend funds for a project for which the original appropriation was made and so that funds are not transferred from one project to another within the department itself.

The other point I'd like to bring up Madam Speaker, is that as I understand it now the present system of accounting is that entries are made by holding the books open for thirty days after the end of the fiscal year to permit payments to be made on goods or services received but not paid for during the fiscal year. This practice should be discouraged and discontinued because this does not give you a true cost of the operation of any department or agency in that current year. Madam Speaker, budgets serve as a control and management in the way that management is in a position to receive these reports from the various departments so that proper co-ordination can be established; and when this co-ordination is made in a department there should be somebody in the government on a higher level that is in a position to properly analyze and co-ordinate the budgets that are presented by the department or agency involved. And I think Madam Speaker that this would cost less than some of the special reports requested by some of the government agencies and departments as is being

(Mr. Smerchanski, cont'd). . . . done today. Proper estimates in detail that identify the purpose of the expenditure and not to be prepared in such a manner as to refer to a general or the possibility of concealed future expenditures for other projects. And I know Madam Speaker that some of the people in this House may say that is all very fine, but I again want to remind you Madam Speaker that I am quite certain that a large number of the Ministers in this government --and I do not criticize them for this because their load work is very heavy-- that they honestly are not completely aware or are not completely acquainted with what goes on in detail in every one of the government departments.

I would also suggest that proper and competent advice on proper accounting matters be made available to all departments and agencies and this should be under constant scrutiny by competent accounting practices in the same way as you have in industry where you have chartered accountants assisting in the preparation of budgets and making the people who have prepared those budgets responsible for them all along the way. Madam Speaker, I also think that today we're having too many busybodies running around the government and running around in cars provided by our government which quite honestly I think can be well examined and scrutinized and somebody should ask them if it's necessary to make that trip out to Point A in the country. Is it necessary to have this expenditure to go out to Point B in the country. This may only mean a small matter but Madam Speaker unless we're going to try and save our cents and unless we're going to try and save our dollars we're not going to be able to save the millions of dollars that are being spent in that direction. I think that if we adopted an attitude that we should run a more efficient business in line with what the people of Manitoba expect us to do, and reduce waste and stop increasing taxes, I think that we can go a long way in not requiring the necessity of increased taxes. As an example Madam Speaker, quite recently in the local papers there was an advertisement asking for an architect who would help in the designing and consulting of park work. I feel that we have competent independent architectural firms in the Province of Manitoba that would be in a position to carry out these duties at a far lower cost than what the government can do it. Because the moment you engage one professional or technical individual, first of all you have got to provide him with office space, eating space; you have got to provide him with stenographic help, you have to provide him with all this additional overhead. And I think that on a properly controlled basis this can be done more effectively by the architects who have established their practice in the province and who could do it in a matter of their own business and they'd be glad to provide this service at a lower cost to the government.

Madam Speaker, the other item that I would specifically like to mention, and this is just one in passing by, the large project of the floodway. We have had people taking soil analysis, soil tests, and I think that some of the members in this House might be a bit amazed that some of these soil analysis and people who are making them are sitting on their fanny for eight, seven and a half hours of the day, and putting in half an hour carrying out the necessary soil analysis. Madam Speaker, I am not accusing anybody in this instance, because as I say, this is the kind of stuff that goes on in the lower levels, that the Minister or members of the cabinet themselves do not know or realize. But this is a waste of public funds. You may laugh gentlemen if you want to, that's your privilege, but this is what is going on today. You go up along that floodway and you'll find out that, if you had let out the soil testing on contract, you would have done it for 25% of the cost. And this is nothing to laugh about gentlemen. If this is indicative of what goes on in one department then the public of Manitoba is going to question you as to what goes on in the other departments. This is no laughing matter. If you want to laugh about it, it's your privilege.

MR. HUTTON: Madam Speaker, would the honourable member care to table some specific information? Because I think that he is referring to the soil testing program which is under the --although it is supported financially by the Department of Agriculture, it is being carried on by the Faculty of Agriculture at the University of Manitoba. I think that he should be specific in his charges and he should document them and give them to us.

MR. SMERCHANSKI: Madam Speaker, I am not concerned to have this matter documented. I am concerned, Madam Speaker, in the fact that the final cost of this floodway is going to be X dollars and the cost going into this floodway includes the cost of soil analysis and soil testing, and it does not make any difference who does it there is a waste of public

(Mr. Smerchanski, cont'd). . . .funds. This is the point, Madam Speaker. Madam Speaker, I would like to say this. When you have to earn a dollar you are not as likely to spend it as freely as you are likely to do with the tax dollar, because the tax dollar comes out of somebody else's pocket and not mine. To me, this is the wrong philosophy. Let us spend wisely and not foolishly. --(Interjection)-- I'll wait Madam Speaker, until theAs soon as the honourable members of the cabinet are finished with their laughing spree, I'll continue. Well, I am quite pleased it is a good joke, it's your privilege. I have the same type of privilege while I am on my feet and if you feel that want to take over I'll sit down and let you carry on. --(Interjection)--

Madam Speaker, government spending and taxation always diverts money from the job-creating business investment. And don't let us forget that. And government spending does not create new jobs, does not create industry that can be taxed in the future, does not create industries who can contribute to the tax dollar of the province.

Madam Speaker, we had a study of the Interlake area on a very comprehensive and detailed basis and I think that some of the members in this House read the newspaper report that this very comprehensive study came to one conclusion: that the people in the Interlake area were very stupid and that they should move out of this area. Now I think that that is a very commendable report to be undertaken by this government. And I think that this is a very proper and laughable item. We have spent a lot of government money on a research project, Madam Speaker, that--(Interjection)--

MADAM SPEAKER: The honourable member should be allowed to continue.

MR. SMERCHANSKI: Madam Speaker, much money has been spent on the study of the Interlake and following this very closely, because this is where I was born and raised, and I think the Honourable Minister of Education mentioned something about this area, and I want to tell you Madam Speaker, that you put two or three or four good enterprising business people into that area and they will bring more prosperity to that section of the country than any other part of Manitoba. Madam Speaker, when this government spends 80 or 90 thousand dollars on making a research study of this area of Manitoba, and then comes to the conclusion that the people should move out of this area, this is one of the highlights of the conclusions and recommendations arrived at by this undertaking of the Interlake area. This is, Madam Speaker, where I refer and I say again to you, this is an absolute waste of public funds.

Madam Speaker, I don't think I'll have much opportunity to say much for the balance of the session and as it happens, I had to get up on my feet three times today and all I want to say is, close off with this. Although I may be a hypocrite in the eyes of the First Minister, but Madam Speaker I have to live within myself. It is not a necessity and it is not a must that I must occupy this seat where I sit. And it is not necessary to subject any member of this House to a bunch of nonsense, because that is all I can describe and say. All I can say is that I am sorry and that I am somewhat unhappy that the remarks of the Premier of Manitoba, our First Minister, whom I'd like to consider as responsible, whom I would like to give the honour of being the First Minister, and when he does make these remarks, Madam Speaker, I feel very sorry and I do not think that this is the proper way to conduct himself, either in this House or on a TV interview. And for my part I don't want any part of it. I want to be as honourable as I can. I respect the judgment, I respect the decision and I respect every member in this House for what he is, or for what she is, and only as such. Laugh we may, we may have our jocular moments, we may have our moments of being a little funny at times --that's all right. And with that Madam Speaker, I thank you.

MADAM SPEAKER: Are you ready for the question? Those in.

MR. EVANS: Madam Speaker, I move, seconded by the Honourable the Attorney-General that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. GUTTORMSON: Madam Speaker, may I direct a question to the House Leader. Could he indicate the intentions of the Government with respect to Bill No. 3?

MR. EVANS: No, I am sure that that question will arise on the Orders tomorrow and the honourable friend can ask questions about it at that time. It is not the intention to proceed with it tonight.

(Mr. Evans, cont'd). . . .

Before moving the adjournment, Madam Speaker, I wonder if I could announce that the special committee of the whole house will meet tomorrow morning at 9:30 to consider the five bills that have reached the committee stage. --(Interjection)-- The five bills are: Bill No. 5, An Act to provide for the relief from certain Unconscionable Transactions; Bill 9, An Act to amend the Department of Agriculture and Conservation Act; Bill 11, An Act to amend the Metropolitan Winnipeg Act; Bill 12, An Act to amend the Municipal Act; and Bill No. 16, An Act respecting the Town of Steinbach, or whatever the correct title is. That will be at 9:30 in the morning and we anticipate then that the House will meet at 10:30. Therefore, Madam Speaker, I move, seconded by the Minister of Mines and Resources, that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 10:30 tomorrow morning.