

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, May 8, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the Honourable Members to the Gallery where we have 50 students of Grade Six standing of the La Verendrye School. These students are under the direction of Messrs. Allan Friesen and Russ Foster. This school is located in the constituency of the Honourable Member for Crescentwood.

We also have 70 students of Grade Eleven standing of the West Kildonan School. These students are under the direction of Messrs. Froese and Penner. This school is located in the constituency of the Honourable Member for Seven Oaks, the Minister of Colleges and Universities.

We have ten students, Grade nine standing of the Sansome Junior High School. This school is located in the Constituency of the Honourable Member for Assiniboia.

On behalf of all the Honourable Members I welcome you here today.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Minister of Municipal Affairs.

INTRODUCTION OF BILLS

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk) introduced Bill No. 46, an Act to amend The Municipal Act (2).

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows) introduced Bill No. 14, an Act to amend the Teachers' Pension Act.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns) introduced Bill No. 35, an Act to amend the Insurance Act.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MATTERS OF URGENCY AND GRIEVANCES

MR. SPEAKER: Oral Questions . . . The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, before the Orders of the Day, pursuant to our standing order No. 27 I move, seconded by the Member from Brandon West that the business of the House be set aside for the purpose of discussing a matter of urgent public importance, namely the closure of the Columbia Forest Products Plant at Sprague this morning; the resultant hardships created for the people of the area, the lack of communication and information being given the employees of the plant, the detrimental impact of this action on the economic life of Sprague, Piney, Vassar, Middleboro and surrounding areas.

MR. SPEAKER: According to our procedures, we will now have five minutes of representation on behalf or against the motion being introduced. The Honourable Member for Emerson.

MR. GIRARD: Mr. Speaker, on Friday last a statement of claim was filed by the Manitoba Development Corporation against the Columbia Forest Products and against GNC for a total amount of approximately 4.6 million dollars. Included in the statement of claim, or because of the statement of claim, the bank accounts, the working capital and the receivables from major . . .

MR. SPEAKER: Order, please. I should like to indicate to the Honourable Member, I want debate on whether the motion should be proceeded with at the present time, not on the substance of the motion. The Honourable Member for Emerson.

MR. GIRARD: Yes, Mr. Speaker, I'll try and stay within those guidelines, but because of this action the mill was given absolutely no working capital and therefore was compelled to close its doors this morning. This morning when the workers arrived at the mill they were advised that the mill was closed and that should they wish to remain on as employees of the mill they could work for the remainder of an ungiven period but could not necessarily expect

(MR. GIRARD Cont'd) . . . to be paid for it. Mr. Speaker, this places approximately 60 people who were employed at the mill out of work totally and it places another approximately 30 people . . .

MR. SPEAKER: Order, please. Again, I should like to indicate to the Honourable Member whether he didn't understand what I was indicating to him. I want him to debate whether the motion should be proceeded with at the present time or not, not the substance of the motion. The Honourable Member for Emerson.

MR. GIRARD: It is vitally important, Mr. Speaker, that the government of Manitoba advise immediately the people of the area and the people affected of how long this closure will remain, what are they to do, are they going to be expecting to be re-employed, are they going to be looking to move? For those people who are purchasing equipment to work in the bush cutting, are these people going to be expecting contracts, are they going to buy new equipment, are they going to let their employees off work? I suggest to you, Mr. Speaker, that it's important that they be notified immediately of the steps that can be taken in order to assure those people that they are not left without any direction at all.

I would suggest further that it's important that the government notify immediately those people who have been paid by the mill, should they be able to cash their cheques that they have in their possession or will they be honoured? There has been absolutely no communication this far of any substance between GNC or between the government with the people of Sprague, and they don't know whether . . .

MR. SPEAKER: Order, please. I have requested twice of the Honourable Member to apply himself to the motion before us. He'll have ample opportunity to debate the motion afterwards. Now if he does not wish to adhere to our rules, I have no opportunity except to rule him out of order. The Honourable Member for Emerson.

MR. GIRARD: Mr. Speaker, it is absolutely urgent that the government advise the people of that area as to whether or not there will be a Receiver appointed, and it's important that that kind of information be given to them now.

MR. SPEAKER: The Member's five minutes are up. The Honourable First Minister, HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, in deciding whether or not Rule 27 can be applied in the case of a particular problem, it is necessary not only to determine whether the subject matter is important but also whether it is urgent that there be debate - and I believe that the proposed subject matter of the Honourable Member's motion does not lend itself to a valid application of Standing Order 27.

It is true that there is a problem of considerable importance with respect to the operation of the Columbia Forest Products Plant at Sprague. It is also true, Sir, that there are a number of rather complex legal difficulties involved; but that, Sir, whether or not there are complex legal problems is not in itself something that lends itself to an application of Rule 27, which is that it is urgent that a particular subject matter be debated so as to avert a difficulty or to take immediate remedial action. I can advise you, Sir, that the matter is one which the Crown has in hand. The Manitoba Development Corporation upon formal notice and advice that the plant's operation has in fact been terminated by Great Northern Capital will obviously have to move in any case in order to secure the assets against which the security for the loan was taken. That being so, Mr. Speaker, there is no particular value in further debate on the matter. I can also advise honourable members that with respect to the individual employees that are adversely affected, that through the offices of the Minister of Labour and the Department of Labour, these matters are being taken in hand in the interim while the necessary legal steps are being followed by the Manitoba Development Corporation and its solicitors.

MR. SPEAKER: I should like to thank the honourable members for their contributions to the procedure. I should also like to thank the Honourable Member for the Notice he issued to me under our Rule 27. I should like to indicate the first criteria for acceptance of a motion of urgent debate is that it must involve the administrative responsibility of the government. The Chair was not able to determine that in the one hour's notice that I had, so I had hesitancy there. The second point of hesitancy occurred in that the matter may be before the courts. The Honourable Member for Emerson indicated that this was a possibility as of Friday morning. Beauchesne's citation 100 subsection (10) states that the Speaker is bound to apply to motions made under Standing Order 31 the established rules of debate and to enforce the principle that subjects excluded by those rules cannot be brought forward thereon, such as a matter

(MR. SPEAKER Cont'd) . . . under adjudication by a court of law or matters already discussed or appointed for consideration during the current session, whether upon a substantive motion, upon an amendment or upon an order of debate. I should therefore like to draw to the attention of the Honourable Members that on April 21st upon reaching Orders of the Day to go into supply the Honourable Member for Emerson spoke on this matter as a grievance. Consequently for all the various reasons cited by the Chair, I cannot accept this motion at the present time. This does not preclude the subject being proceeded with by the various alternative procedures offered under our rules.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is to the First Minister or the House Leader. I wonder if he can inform the House whether the Standing Committee on Public Utilities will be called so that representatives of the Manitoba Telephones may be present and the Telephone System report presented and the representatives of Headingley be also asked to appear.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, as the Honourable Leader of the Opposition is aware, the House Leader has the responsibility of co-ordinating the timing of the various Standing Committees of this House that may be called; and thus far the arrangements have been proceeding rather well in the sense that there have been two committees of the House meeting, if not simultaneously, at least during the course of the same week. I would suggest to the Honourable Leader of the Opposition that if there are already two or more Standing Committees of the House meeting and have not yet completed their consideration, then it is not particularly workable nor desirable to add yet another Standing Committee to the list of those that are already active, that is to say, holding meetings from time to time.

MR. SPIVAK: Yes, I have another question for the First Minister. In view of the fact that there is interest by the Headingley community, I wonder whether it would be possible for the House to have the Committee meet in the evening, so that the representatives from Headingley can be present.

MR. SCHREYER: Well, Mr. Speaker, the difficulties that are being experienced by - and the sense of grievance that is felt by some of the residents at Headingley, I should think are quite similar to the difficulty and the sense of grievance which they experienced in years gone by, and I don't know that the matter has taken on to it any greater sense of urgency than it did when my honourable friend had some responsibility.

MR. SPIVAK: Supplementary question to the First Minister - has the government been able to determine whether there was an undertaking given by the Manitoba Telephone System to the residents that in effect their grievance would be remedied?

MR. SCHREYER: Mr. Speaker, the decision as to whether or not telephone service should be extended or varied or upgraded to any particular community or group of residents, is a decision which is taken in the normal course by the Board of the Manitoba Telephone System. We do not anticipate any need to vary this long standing practice.

MR. SPIVAK: Another question to the First Minister. In view of the fact that the Telephone Board has already approved the change, may I ask why the . . .

MR. SPEAKER: Order, order please. The Honourable Member has had two supplementaries on the question. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the First Minister. Can the First Minister give assurance to the House that a committee from the Headingley Telephone Committee would be able to present a brief to the Standing Committee on Public Utilities?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the group of residents involved may make their proposal to the Manitoba Telephone System, its Board and its officers. And may I say, Sir, that I am not aware that the Board has taken a definitive decision in this respect as yet, so it would be misleading to imply that it has.

MR. PATRICK: A supplementary, is the answer affirmative that they will be able to make their presentation?

MR. SCHREYER: I have said, Mr. Speaker, it would be in order, I should think for the

(MR. SCHREYER Cont'd) . . . delegation to arrange to meet with the Telephone System, its Board and its officers.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, on a matter of - I believe I have a right to raise a privilege on a news report in relation to the matter that is now being discussed. I believe the Winnipeg Tribune this morning had a story on a meeting attended by the Leader of the Liberal Party and the Leader of the Opposition, and at that meeting the report is that - and I quote: "The meeting was told that as recently as last Thursday a meeting had been arranged with the Minister of Finance, Saul Cherniack, and Mr. Cherniack had failed to show." I believe I have a right to categorically deny any that any meeting had ever been arranged with me and that whatever statement is reported to have been made is untrue.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder whether he can inform the House whether the government would consider free bus transportation for pensioners in the urban areas in Manitoba.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, any proposal or subject matter which appears on surface to have some merit - and in this particular case the suggestion that has been made over actually recent months if not years that some policy ought to be evolved which would take greater cognizance of the financial problems of old age pensioners to enable them to have more realistic access to transportation - this is something which has been and can be taken under policy consideration, but no policy decision has been taken on that to date. It is also a subject matter which relates pretty directly, Sir, to the area of jurisdiction of the City of Winnipeg Corporation.

MR. SPIVAK: A supplementary question to the First Minister. I wonder whether he can inform the House whether it's likely that a policy will be determined this year.

MR. SCHREYER: Well, Mr. Speaker, inasmuch as my honourable friends weren't able to evolve a policy in that respect in a decade I should think that a year might not be unreasonable.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the First Minister. Can the First Minister in evolving that policy also consider providing free bus transportation for rural senior citizens as well?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I would have to know more precisely in what respect the honourable member is referring to the need as it exists in rural areas. It may be, it may well be that in some areas there is considerable need comparable to the urban area of Winnipeg. On the other hand, as between Binscarth and Foxwarren there may not be enough potential utilization to warrant a bus.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, with leave I would like to file the reply to an Order for Return No. 24 on motion from the Honourable Member from Fort Rouge.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to direct a question to the Acting Minister of Mines and Resources. I understand he made a major announcement of government policy regarding pipelining of oil from Saskatchewan to the U.S. Could he advise the House of the details of their plans in opposition to this line? Could he indicate whether there has been communication with the Saskatchewan Government in arriving at this decision?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, the honourable member is under some disillusionment because it is not within the jurisdiction of the Province of Manitoba to make any judgment or decision with respect to interprovincial or international pipelines.

MR. CRAIK: Mr. Speaker, I think then there's probably some clarification required. I understand that the government is making representation to the National Energy Board in opposition to the application for licence by Waskana to transport oil from Saskatchewan through Manitoba to the U.S.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: On a point of order, Mr. Speaker. I think it's necessary to get clarification on the rules of procedure of the House perhaps. The Honourable Member for Riel is suggesting that just because there may be some misapprehension on the part of an honourable member opposite that it is in order to ask a question of the Minister. If that rule were applied consistently, Sir, then Ministers would be kept busy every day since I don't believe, Sir, that misapprehension alone is sufficient reason for deciding that a question is in order.

MR. SPEAKER: The Honourable Member for Morris on that same point.

MR. WARNER H. JORGENSON (Morris): On that point of order, Mr. Chairman. One of the reasons that we ask questions in this House is because we're apprehensive about the actions of this government and surely, surely that is a legitimate function of the opposition to ask questions about which they are apprehensive.

MR. SPEAKER: The Honourable House Leader.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, may I on the same point of order refer to Beausheue as I have done recently on a number of occasions; and the apprehensions of the opposition or the apprehensions of any member of this Assembly unless they relate to something under the jurisdiction of the Assembly, Mr. Speaker, I say in all respect are not the subject matter of a proper question directed to the government of this Assembly.

MR. SPEAKER: The Honourable Member for Riel on the same point

MR. CRAIK: Mr. Speaker, might I ask the Minister in light of the debate here whether the article which appeared in . . .

MR. SPEAKER: Order, please. A point of order was raised. I would concur that there is some validity. Honourable members have not been doing their reading in regards to Citation 171, 172. I should also like to indicate that I would also like the co-operation of the members who are answering to read Citation 181 as well. And I think that our question hour will probably come down to a half an hour instead of an hour. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, might I ask if the article which appeared in Saturday's Tribune with regards to the question I asked previously is incorrect and if . . .

MR. SPEAKER: Order, please. Order, please. That's precisely one of the points in our rules in respect to articles in the press. The honourable member just has to peruse 171. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, may I ask the First Minister a question, and ask him if the statement made by the Minister of Industry and Commerce respecting applications or briefs to the Energy Board are government policy?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if I may say so the form in which that question was asked, I believe, is well in order in accordance with the rules. In replying to it, I would say simply that the statement made or the announcement given through the Minister's office with respect to the filing of a brief of intercession before the National Energy Board is in accordance with government policy.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, might I direct a question to the Acting Minister of Mines and Resources. Is additional consideration being given to the restriction of production from the Manitoba oil fields?

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

MR. EVANS: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I'd like to direct a question to the Honourable Minister of Industry and Commerce. I wonder if he will be able to advise the people of Sprague how long the mill will be closed down.

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

MR. EVANS: Mr. Speaker, I advise the Honourable Member from Emerson to ask the executives of Great Northern Capital.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I had a question for the Minister of Agriculture. I guess he's out. I'll direct it to the Acting Minister of Agriculture. I wonder if the Minister would be prepared to solicit and apply for compensation for those farmers who

(MR. J. WALLY McKENZIE Cont'd) . . . are suffering losses downstream from the Shellmouth Dam from the Federal Government?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, a question very similar to this was asked by the honourable member last week, at which time the Acting Minister of Mines and Resources and I both indicated that the water levels downstream of the Shellmouth Dam are approximately at the same level as occurred on six previous years in the past two decades. We have no evidence that any compensation was paid at that time. Furthermore, Mr. Speaker, the honourable member was advised that a meeting was held last December as between officials of the government Water Resources Branch and local residents, municipal representatives, at which time they were advised of the mode of operation of the outlet.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I'd like to direct a question to the Acting Minister of Mines and Natural Resources. I wonder if he could advise us if the polar bear denning area south of Churchill was made into a game sanctuary or a special reservation area.

A MEMBER: You mean the bears that came back?

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

MR. EVANS: Mr. Speaker. 'I'll have to take that question as notice.

MR. GORDON W. BEARD: A supplementary one then. Could the Minister advise us whether the Armed Services have asked for permission to hold their maneuvers in that area which is going on at this time?

MR. EVANS: I'm not sure whether I heard the entire question, Mr. Speaker. I find the acoustics rather poor especially when people are talking around one. If he's asking me a question with regard to the activities of the Armed Forces in Canada, I would have to answer that this is beyond the jurisdiction of any provincial government.

MR. BEARD: Then I'll rephrase it. Is there no control over the jurisdiction in that area in the activity that takes place as far as groups of people going through the denning area of the polar bears?

MR. EVANS: Mr. Speaker, the Province of Manitoba has control over regulations pertaining to wildlife in Manitoba.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, my question is for the Minister of Mines and Natural Resources and Environmental Management. Can the Minister indicate to the House how much compensation was paid to the farmers whose property was flooded by the operations of the Fairford Dam?

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

MR. EVANS: Mr. Speaker, I'm not in a position to do so.

MR. GRAHAM: Will the Minister indicate to ascertain that information and advise the House?

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): A question for the Minister of Mines and Resources. Could he tell the House how much compensation was paid to those who lost funds through destruction of wildlife caused by the control of the Fairford Dam?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Well, Mr. Speaker, I would advise the honourable - both the Honourable Member from Rupertsland and the Honourable Member from Birtle-Russell - if they want detailed statistical information that they file an Order for Return and we'll be pleased to comply with the detailed information they're asking. Obviously I do not have that information at my fingertips; we'll be pleased to accommodate honourable members if they would use the usual procedures of the House and file an Order for Return.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I should like to direct my question to the Attorney-General if I can find him behind that mound of files. Will his department be conducting a survey of consumer prices in order to determine the extent of price increases as a result of the application of the tax increases contained in Bill 21?

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General) (St. James): Mr. Speaker, I take it in the statement that's contained in the question that the honourable member recommends some

(MR. MACKLING Cont'd) . . . degree of consumer price control and I'll take that suggestion under advisement.

MR. SPEAKER: Orders of the Day. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, might I direct a question to the First Minister. He has indicated that the announcement by the Minister of Mines and Resources represents government policy regarding the pipelining. Would he advise the House then of some of the details of this government policy, the backup reasoning behind and the background to whether there has been negotiation with the Province of Saskatchewan in taking this move.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I think it should not be difficult to infer from the intercession that's being filed by the Province of Manitoba that the policy position is that non-renewable resources and fossil fuels which are of the nature of non-renewable resources ought not be regarded in the same light as renewable energy in terms of export and the export thereof to any other jurisdiction.

MR. CRAIK: Mr. Speaker, I wonder if the Minister would indicate if there is any answer to the second part of the question as to whether there's been discussion with Saskatchewan or Alberta on this particular move?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Health and Social Services. Last week the First Minister declared a Big Brother week in Manitoba. My question is: Will the government or the Minister be making a grant or giving any financial association or financial assistance to the Big Brother Association in Greater Winnipeg?

MR. SPEAKER: The Honourable Minister of Health.

HON. RENE E TOUPIN (Minister of Health and Social Development) (Springfield): Well, Mr. Speaker, last year, in the last fiscal year the Department of Health and Social Development did make a grant to the Big Brother Association; we've had numerous meetings with the executive and members of the Big Brother Association; I'm happy to have noticed the great interest of the honourable member in the Association itself and I'm hoping, Mr. Speaker, that a lot will be actually accomplished through private donations instead of future increased government grants.

MR. SPEAKER: Orders of the Day. The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Minister of Health and Social Development. In view of the statement made by International Nickel over the weekend of having 100 available jobs unfilled will be consider cutting off able-bodied men in Winnipeg who refuse to take employment up north?

MR. SPEAKER: The Honourable Minister of Health and Social Development.

MR. TOUPIN: That's a loaded question if I ever heard one. If the jobs are available and if some able-bodied welfare recipient is able to do those jobs they will be offered to them and if they do not accept them they will be taken off welfare.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Honourable Minister of Industry and Commerce. This is a question that he has twice taken as notice so I'll re-ask the question. Will the government tell us whether they've signed an agreement with Sherritt-Gordon Mines with respect to the development of the Leaf Rapids' mine?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I believe another honourable member asked the same question a few days ago and at the time I indicated that the agreement would definitely be tabled when we are in a position to do so. I can't advise the honourable member at the moment whether the agreement has been finalized in every last detail - certainly it has in principle - or whether there are some matters of relatively small detail that are still remaining to be worked out. But in any case by the time that the Estimates of the Department of Mines and Resources are before the House I should think that the agreement would be in a form where it could be tabled.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: I have a question for the Minister of Health and Welfare. In view of the jobs in Thompson will he consider tightening up on welfare up north?

MR. SPEAKER: The Honourable Minister of Health and Social Development.

MR. TOUPIN: Mr. Speaker, that's another loaded question; that we're not only talking of the north, we're talking of the Province of Manitoba, and those that are in need of social allowance anywhere in the Province of Manitoba are given social allowance; those who are able-bodied citizens of this province and are offered work and are acceptable by individual members or corporations of this province and refuse, they are taken off welfare. We're wanting to tighten up and cut down abuse across the province.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Industry and Commerce. I wonder if the Honourable Minister would be prepared to meet with the people of Sprague to discuss the future of that industry, and if so, when?

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

MR. PETER ADAM (Ste Rose): Thank you, Mr. Speaker. I have a question for the Minister of Agriculture. I was wondering if he could indicate if he had any information as to why the wool producers have not received any payment except the initial payment of nine cents a pound for last year's wool production.

MR. SPEAKER: Order, please. There's too much talking going on in the House, including the galleries. The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, not having been given notice, I will take the question as notice.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, in the absence of the Honourable Minister of Cultural Affairs, I direct a question to the Honourable First Minister. I wonder, Sir, if the First Minister could indicate whether or not the government would entertain the suggestion of having the Board of the Manitoba Theatre Centre appear before a committee of the Legislature prior to further approval of public funds in order that the Legislature can determine whether or not . . .

MR. SPEAKER: Order, please. The Honourable Member's debating the question. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I must confess to my friend, the Honourable Member for Lakeside that I am not as cultured a person as he, and therefore I am not as intimately aware of any problems or difficulties which some of the more exotic performances of the Theatre Centre have caused us, if in fact we have any problems with them, I don't know. All I can do, Sir, is to take the question as notice and transmit it to the Honourable Minister of Tourism.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, a supplementary question. The question arises out of the controversy of the recent resignation of Mr. Turnbull as artistic director, and I wonder if the First Minister would take as further notice the question, to what extent does the Provincial Government support the budget of the Manitoba Theatre Centre at this time?

MR. SCHREYER: Mr. Speaker, on the last part of the question the answer is that the honourable member should and could as he well knows submit an Order for Return, the precise figure would then be provided to him. On the second part of the question, I do believe that the well-known and long standing rule of procedure is that the committee can decide what persons or documents it wishes to call before it; if in fact the committee does decide to call anyone before it in this respect. It seems to me, Sir, that matters of internal disagreement among artists and patrons and aficionados of the arts is something that ill-beehoves the Legislative Assembly to get involved with.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. In view of the Prime Minister's comments this weekend with respect to the foreign investment and ownership and provincial policy, will the province now develop its own policy, and will it be forwarding it to the Federal Government?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that is obviously a matter of substantial policy which will have to be arrived at after due and careful consideration.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCGILL (Roblin): Mr. Speaker, my question is for the First Minister. I wonder over the weekend if the Honourable the First Minister has now been able to give us the name

(MR. MCGILL Cont'd) . . . of the new Minister of Mines and Natural Resources.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it certainly won't be the Member for Roblin.

MR. SPEAKER: The Honourable Member for Brandon West.

A MEMBER: Why not? Anything wrong with it?

MR. GIRARD: Mr. Speaker, my question is for the Honourable Minister of Industry and Commerce. In view of the evidence supplied by Dr. Briant this morning in respect to aircraft sales by Saunders Aircraft, could the Minister now supply the answer to my questions previously put just for the record?

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

MR. EVANS: Mr. Speaker, when I receive a commutation from the MDC I'll be pleased to inform the member.

MR. GIRARD: I would like to direct a question to the Honourable the First Minister, I wonder if the Premier would consider meeting with the people of Sprague to discuss the future of that industry and if so, when?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, as the Honourable Member well knows, I have over the course of the past few weeks, few months and few years, been happy to meet with groups of people in virtually every region of the province, and certainly the people of Sprague are no exception. I will be happy to meet with them at the earliest possible opportunity, and in the meantime everyone can rest assured that all possible action that can be taken by the Crown to secure its loan involved in this case, and to take other appropriate action; this will be acted on quickly.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): I know the First Minister has had a lot of questions but would he kindly answer one more. Will the Standing Committee on Agriculture be convened before the session ends and will it be given the same opportunity of hearing the Chairman of the Agricultural Credit Corporation as that of the Development Corporation?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, that's a matter that will be announced in due course.

ORDERS OF THE DAY

MR. SPEAKER: Orders for Return. The Honourable Member for Portage la Prairie.

MR. GORDON JOHNSTON: Mr. Speaker, could I have this matter stand?

MR. SPEAKER: (Agreed) The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for LaVerendrye,

THAT an Order of the House do issue for a Return with respect to husband and wife teams working in the Manitoba Civil Service or as Consultants to the Government, showing:

- (1) Names of the persons in the above mentioned husband and wife teams.
- (2) Position and salary received in each case.
- (3) The date on which these people were hired in each case.
- (4) The method of hiring in each case.
- (5) The name of the Department and/or Consulting Firm for which each of the above work.

MR. SPEAKER: Page - pick up that notice. Mr. Speaker presented the motion. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I rise in my capacity as the Minister responsible for the Civil Service Commission. I am at a loss to understand what my honourable friend means by "husband and wife teams;" therefore unable to accept the Order for Return in that form.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Perhaps I can explain - one person married to another person, that's what I mean by wife and husband; not somebody else's wife.

MR. SPEAKER: Order, please. Does the Honourable Minister of Labour wish to . . .

MR. PAULLEY: I cannot accept that verbally, Mr. Speaker, therefore decline the Order.

MR. SPEAKER: The Honourable Minister for Assiniboia.

MR. PATRICK: Mr. Speaker, I request the House to have it transferred for debate.

MR. SPEAKER: Very well. The Honourable Member for Fort Garry.

MR. L. R. SHERMAN (Bud) (Fort Garry): Mr. Speaker, I move, seconded by the Honourable Member for Riel that an Order of the House do issue for a Return showing:

- (a) The number of insurance companies or underwriters in Manitoba who had responded up to May 3, 1972, to the specifications for a group insurance programme for the employees of Manitoba Development Corporation subsidiaries, submitted to the Manitoba Development Corporation during April by Mr. R. E. Fisher of Montreal;
- (b) the names of those companies or underwriters.

MR. SPEAKER presented the motion. The Honourable Minister of Industry and Commerce,

MR. EVANS: Well, Mr. Speaker, this information is easily available. I don't know whether the Honourable Member needs an Order for Return; he could ask it at the next Legislative Committee on Economic Development or he can ask me during the estimates of Industry and Commerce. I can assure the Honourable Member that all Manitoba companies in this area of business have been solicited and many, many Returns are being provided. I can accept the Order but we are prepared to give it even quicker in the Estimates or in the Legislative Committee.

MR. SHERMAN: Well, the Minister's response is acceptable to me, Mr. Speaker,

MR. SPEAKER: Very well. In that case, do we wish to vote the Order down? We'll just drop it? Very well. The Honourable Member for Crescentwood. (Stand). The Honourable Member for Minnedosa,

MR. DAVID R. BLAKE (Minnedosa): Mr. Speaker, I move, seconded by the Honourable Member for Fort Rouge:

THAT an humble address be voted to His Honour the Lieutenant-Governor praying for copies of all correspondence between the Honourable Russell Doern, MLA and the Honourable Robert Stanbury, MP relating to the purchase of the Symbionics computer.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. DOERN: We accept the order, Mr. Speaker.

MR. SPEAKER: Very well. The Honourable Minister of Labour.

MR. PAULLEY: Do I understand that both of the Orders for Return standing in the name of the Honourable Member for Crescentwood are standing?

MR. SPEAKER: Are standing - that's right, since he's not here.

MR. PAULLEY: Fine, thanks, Mr. Speaker, will you now kindly call the Resolution, Third Reading, Bill 21.

GOVERNMENT BILLS

MR. SPEAKER: Proposed Motion of the Honourable Minister of Finance. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on Friday I terminated my remarks because of the closing hour. I did not complete it - and as I indicated then, my purpose in speaking first on Third Reading was to give me the opportunity to be able to talk out the bill to provide the weekend for an examination of the amendment that has been introduced by the government; and in doing so I would like to if I may at this time express the position that was not expressed at the time the amendment was brought in, because I'm not sure that the full impact of the amendment was understood.

One of the most controversial provisions of the 72/73 budget is the proposal that we are dealing with to extend the sales tax to cover production equipment and supplies, and this was the portion that I completed last week. Now many of us have criticized this proposal on the grounds that it would increase the cost of production, raise the relative price of goods produced and consumed by Manitobans, and further would discourage investment in this province.

The Minister's intentions as expressed Bill 21 may have been constructive; he may have sought equitable additions to our tax structure on the assumption that taxes had to be increased and we dispute that particular fact. But unfortunately the careless assembly of this tax package known as Bill 21 does not reveal the Minister's intentions to advantage, Mr. Speaker, it's a clumsy exercise in tax raising. The arguments presented by those of us who were worried about the adverse effects of taxing production equipment and supplies appear to have produced a limited change in the measure.

(MR. SPIVAK Cont'd)

On Friday in committee, the Minister of Finance tabled an amendment to Bill 21. This amendment was apparently intended to permit him to determine when the tax on production machinery leases would be actually applied. By this means he has for the time being suspended the retroactivity feature, a feature which would have resulted in the taxation of leasing transactions which had been entered into even before the new tax was announced.

Now the objective of a tax on production equipment was apparently to hit big business. The Minister seems to think that everyone who earns his own living is a fat cat. He probably felt that those obliged to pay this tax might squawk a bit, but would have no difficulty in absorbing the tax or passing it on to the consumer. He seems completely to have ignored the real victim of this tax is the small businessman in Manitoba, the restaurant owner as an example, whose economic circumstances forced him to lease yet who cannot pass on added cost because he is facing stiff competition. If the Minister's accomplishments were to be interpreted in a song, Mr. Speaker, it would be that "You Always Hurt the Ones you Love".

Friday's amendment gives the Minister the power under certain conditions, to refund the sales tax collected on production equipment leases and to establish the length of time for which any particular lease arrangement will be entitled to a refund. This tax recommendation is obviously, Mr. Speaker, an effort on the part of the government to buy time. The Minister will require time to figure out what to do next, because the amendment he has introduced is potentially worse than what it has replaced, in that the government's decision creates the power to suspend the production equipment tax in certain circumstances. It amounts to official recognition of the basic weakness of such a tax.

Now there are many obvious shortcomings to this bill. Their combined effect demonstrates the undesirability of the tax in the first place. First, it adds a further layer of taxation in this province which is already the highest taxed in the country; second, it makes the production of goods and services in the province more expensive, consequently raising prices for Manitoba consumers and making our exports less competitive; third, it acts as a disincentive to the investment in Manitoba at a time when the provincial economy is trying to pull out of an investment slump but is still facing the highest unemployment in years.

The government's move to freeze - - so far undetermined amount of investment from this tax is a concession, Mr. Speaker, and we believe it is a concession to the province's economic need for growth and for jobs. It is also an inadvertent admission that the whole idea of a tax on production machinery is unnecessary from a revenue standpoint and potentially harmful to our economic prospects.

Now unfortunately, the mere recognition of weaknesses does not provide solutions. The government's half-hearted attempt to clear a small path through the tax jungle it itself is creating, deserves some praise because it could result in the elimination of the discriminatory and retroactive treatment of production equipment leases. However, the government's revised approach as embodied in Friday's amendment may create several new problems, and these include: 1. The Minister now has ample power to protect those who lease production equipment. The same protection does not exist for those who purchase such equipment. Depending on how the Minister uses his power, purchase transactions may be subject to discrimination rather than lease transactions as is now the case. A tax differential between purchases and leases is still possible even under Friday's amendment. For instance, a restaurant owner, small cafe owner, might contemplate the acquisition of a cooler worth about \$2,500.00. If he had bought it last month rather than leasing it he would have been clearly better off. However if he has postponed his decision he now will not know what to do. His lease payments depending on the length of contract and interest rates might range from \$50.00 to \$80.00 and he will pay an additional penalty in the form of a sales tax. But he may be entitled to a refund if his equipment falls into certain classifications or if he happens to become one of the Minister's pet specific cases. In a nutshell, he will not know whether to buy or lease because he will not know whether there is a tax differential between buying and leasing; or whether the differential will favour buying or leasing, or how long the differential will be available in this particular case.

Second, the Minister will within certain limits be able to decide who will pay and for what length of time. In addition, if the amendment passes, these decisions could be made at any time without reference to the Legislature. The Minister therefore has created extensive arbitrary taxation powers for himself. Third, because of these arbitrary powers an additional

(MR. SPIVAK cont'd) element of uncertainty will be added to the province's already uncertain economic climate. Clarity in our tax laws is a fundamental principle which the government I suggest is violating in this Legislature. Fourth, the ability of the Minister to prescribe tax liability in what the amendment refers to as "any specific case" is particularly objectionable. Why is it necessary to isolate particular transactions and bestow what could be considered tax favours on particular corporations or individuals? What criteria will the Minister use? Age? Sex? Political affiliation? We have not been told. And what is more important, neither have the taxpayers of this province. Fifth, the basic undesirability of a tax on production equipment has not been eliminated, because Friday's amendment did not eliminate this tax but only modified it. The real solution to the problems which this tax will create is to eliminate it entirely. Although we are firmly convinced that the elimination of this tax is the best way to avoid the uncertainty, and harm it in terms of the actual cause, we do not realistically expect the government to adopt so direct a solution.

The next best thing is to amend the bill. The government has demonstrated a flexibility to bring in amendments. Unfortunately amendment in respect of leasing transaction is far from satisfactory. In fact it is a serious step in the wrong direction. Since the rules prevent us from introducing amendments to tax bills and particularly at this time, the best I can do is to suggest guidelines for any future amendments the government may introduce. And I believe we could if we wanted to refer it back to Committee of the Whole, and amendments could in fact be brought forward at that time. I suggest that the Minister withdraw and replace Friday's amendment to Section 3 (18). Its replacement should be constructed according to the following principles. 1. All transactions, that is both leases and purchases, entered into prior to the date of coming into force of this tax provision should be totally exempt from the tax. 2. The tax payable in respect of leased equipment should be five percent of the normal purchase price of the equipment rather than five percent of the rental payments. The combined effect of these two suggestions would be to totally eliminate the retroactivity which Friday's amendment only partially suspends, and to eliminate the tax differential between purchasing and leasing which Friday's amendment cannot accomplish.

Now, Mr. Speaker, we present this for consideration of the government, recognizing that we believe that we have contributed to a large extent to the consideration by the government of exactly what was covered by the legislation and the consequences. We reiterate again that the tax is a tax on production which will have the effect of both being a tax on jobs; and undue hardship on many people who either will have to absorb it - or in other cases raise their prices in which case they will be harmed by competition that takes place in their particular industry, or in the service sector depending on the exact nature of their business. We offer this as a constructive criticism, and recognize that the government is not going to accept our basic proposition -- and I don't think I have to repeat it again, it's been repeated over and over again. We would seriously hope that the government entertain this provision, and if it agrees, provide the procedures which would allow us to be able to bring in the amendments as we have suggested.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, when I spoke on this bill on second reading on the 25th of April, I suggested that it was one of those measures that could lead to the decline and fall of a government, a tax measure that would be unacceptable to the community. And after the past two weeks of debate on the legislation -- but even more important than that, after the past two weeks of response and feedback from the community and from the economy, I'm more than ever convinced of the prophesy of that suggestion of mine. The fact of the matter is, Mr. Speaker, that it took substantial time for small businessmen and manufacturers at large to understand the ramifications of the bill and to come into a full comprehension of all that it would mean to them and to the business climate of the province; and that the two week scrutiny and assessment and study that the opposition has given it and those participants in our economy have given it have only served to confirm the conviction of many of us - certainly my own personal conviction - that it is as has been suggested illogical and insupportable in the light of the economic condition of Manitoba at the present time.

The overriding impression that one gets from the bill is that the government is persisting in a kind of anti-business bias that contains the possibility, the seeds of setting back the economy in the province for years to come. The approach of the government, the philosophy

(MR. SHERMAN cont'd) of the government on the legislation seems to be that in order to meet their fiscal and financial requirements; in order to meet their budgetary requirements and in order to meet their philosophical requirements the entrepreneur, the small businessman, the manufacturer is going to be forced to cough up. The entrepreneur, the small businessman, the manufacturer is going to be squeezed and squeezed again until the government obtains from him every last possible drop of revenue to meet the particular position that they have staked out for themselves, and that can only be supported by grinding every possible cent and dollar of support out of business that they can possibly accumulate. And that, Sir, as has been emphasized again and again in the past two weeks is damaging in the extreme to our economy; destructive not only to the operations that exist at the present time but to the whole approach, the whole psychology of people engaged in the economy and in making our economy go.

The Minister of Finance has suggested in the course of the debate that he doesn't know the philosophy today of the Conservative Party on the subject of taxes. But the only conclusion that he can draw, the only message he can draw from the Conservative posture on taxes as articulated during this debate is one of give, give, give to industry. And I suggest that if that's the conclusion he has taken from the position that we have attempted to outline, then he has either not heard us or he has badly misunderstood us, badly misinterpreted the message that we have tried to develop and to impress upon him in this Chamber.

The former Minister of Mines and Resources, the Member for Inkster, in the course of the debate accused us in the opposition, particularly in the Progressive Conservative Party, of saying that in order to hold industry here in Manitoba we would reduce taxes. Well once again, Mr. Speaker, this is a direct misunderstanding and misinterpretation, whether inadvertent or not is irrelevant; it's a direct misunderstanding and a direct misinterpretation of what we have said. Our position has never been one of hold industry here at any cost by reducing taxes. What we have said from the beginning of this session, from the beginning of all the fiscal measures that have come up for consultation since this House went into session on the 9th of March, is that the people and the economy of Manitoba cannot at this time stand increases in taxes. What we have said is don't increase taxes. We did not ever at any time suggest that particular holidays or exemptions or considerations should be given to individual industries or manufacturers in the form of reductions just to buy them off; just to content them and just to seduce them into staying here in Manitoba because we don't want to lose them out of our society and our economy and we're willing to go to any lengths to keep them. That has not been our position or our philosophy and it has not been so stated, and I fail to see where the argument or the line we have taken could have led to that kind of a misinterpretation.

We have said don't increase taxes at the present time. The individuals who make up Manitoba society, the individual manufacturers, entrepreneurs and small businessmen and working people who make up Manitoba's economy cannot absorb increases of taxes or increases in their cost of living at the present time. We're in a competitive position that makes it very difficult for our economy to thrive and survive with the kind of health and strength that we want it to and in the framework of that competition, in the framework of that environment we are opposed unalterably to increases in taxes. We have advocated cuts in spending so that taxes can be reduced but that has been part and parcel of a package approach to the budget, Mr. Speaker, that has not been a direct ingredient of the argument we have used where increases in sales tax for industry are concerned. We have talked about over-all reductions in spending so that the over-all budget can be reduced and the over-all tax load can be reduced, true. But when it comes to the manufacturers and the small businessmen creating the input and the job generating ingredient in the economy we have not said otherwise than do not confront them, do not burden them with additional taxes, don't increase their taxes. That has been the message.

Mr. Speaker, in the same section of his debate the Minister of Finance asked us, appealed to us not to refer to specific situations having to do with specific industries in Manitoba as being isolated in the Canadian context; not to cite the unhappiness or the suggested departure in whole or in part of certain industrial and manufacturing operations from Manitoba as being in themselves harmful to the Province of Manitoba. What he said was that because of the DISC Program in the United States; because of the tax concessions being offered industry; and the attractive position that industry in the United States is being put in with respect to exports; that this is a problem that is creating a severe difficulty for all Canadians in all parts of Canada; and that it is not fair to say that because one particular industry or one particular

(MR. SHERMAN cont'd) manufacturer in Manitoba is implying that he is fed up with conditions here and is going to shift part of his operation to another province or another country, that that is injurious to Manitoba. The thing that's injurious is the thing that's injurious to all of Canada - not just Manitobans but everyone in all provinces of Canada - the United States trade policies of the present day and in particular the DISC Program. Well that's an acceptable thesis from the Minister of Finance. I don't argue with the position that he takes when he says that these are the factors, the overriding factors that have created the individual problems in Manitoba; and that it's not so much the individual manufacturer's decision that's hurting us, it's the overriding effect of U.S. policy and other external policies that's hurting us. I don't quarrel with that argument.

There is one we think irrefutable rebuttal to that, and that is that given the economic position we're in in Manitoba, given the disadvantages that we have in terms of competition with other parts of the North American continent - many of which have been mentioned by my colleague, the Member for Morris and others on this side - that a special creative kind of consideration should be forthcoming from the Manitoba Government where Manitoba entrepreneurialship in Manitoba industry is concerned. What we believe, what we feel is that it's not good enough to hide behind the blanket difficulty created by U.S. trade policies and in particular the DISC Program. It's not good enough to say that this kind of thing is hitting all kinds of Canadians, it's hurting all provinces and therefore, you know, Manitoba is just a part of it. That may be substantially true as a fact but it's not good politics; it's not good philosophy; it's not good economics; and it's certainly not good Manitobanism -- because we here in this province have to construct and create special thrusts, special initiatives, special programs to help compensate for some of the disadvantages in terms of trade and economic competition that we have long suffered from; that we have long been susceptible to and therefore faced with the kind of difficulties that U.S. trade policies and the DISC Program proposes. Faced with the kind of tax advantages that American exporters are given under DISC where Canadian markets are concerned, it behoves this government and this opposition and this economy and this province in total collectively as a society and as an economy to frame policies and programs and approaches that take into consideration the advantages the U.S. exporter is being given; the disadvantages that the Manitoba manufacturer has always had to operate under and produce an approach and an initiative that keeps Manitoba in the fight; that keeps Manitoba competitive; and in fact that retains for Manitoba the one or two advantages in economic terms that it has always had and this is where our basic quarrel with the imposition of the sales tax on production machinery, Mr. Speaker, rests. The fact that the surrounding environment, the states and the provinces around us have such a sales tax, should not be cited by the Minister as a rationale for our introducing such a sales tax. It was rather in our view, the strongest argument, or one of the strongest arguments that could be mounted for our refraining from that kind of a measure, just as long as it was humanly and economically possible, because it was the fact that we did not impose that kind of a tax that retained for Manitoba a peculiar and a unique kind of economic advantage which compensated to some extent, at any rate, for some of the competitive difficulties and disadvantages which we have always faced.

So the challenge to our government and to our economy here in Manitoba is one not of either trying to conform to the kinds of economic programs and fiscal programs employed around us, nor of trying to rationalize the steps we are taking or justify the steps we are taking by saying these are steps that have to be taken because external forces and pressures are working disadvantages to our economy and we have no control over them; that's the easy way out and it's the defeatist way out and it's a way out that's injurious to our economy; the challenge to this government, and it was taken up by this Opposition in this debate is to look at those external forces, factors and difficulties and say all right, all right, those external factors like the DISC Program are having an effect that is slightly harmful and injurious to the economies of other provinces in Canada - now perhaps we can take advantage of that situation and compensate for some of the disadvantages we have long had, by developing and devising a different kind of approach and thrust here in Manitoba where our manufacturers are concerned so that they do not see a move out of Manitoba as a, and particularly a move into production capability in the United States, as a solution to their economic problems. If there were some kind of tax protection or some kind of tax incentive offered to them so much the better, but we never asked for that - all we asked for was an even fighting chance and reprieve from additional tax loads and tax difficulties.

(MR. SHERMAN cont'd)

So I say, Mr. Speaker, that the Finance Minister's argument although factually acceptable is not philosophically acceptable, and it's not economically acceptable, and I think in terms of Manitoba and Manitobans, it's not acceptable from the point of view of our society. We now surrender to the kinds of economic environment that surround us and we now throw up our hands and say that because of these pressures from outside, we are going to have these difficulties and we have to live with them, when the fighting and imaginative approach would be to say, all right, now that that's the case, let's look for opportunities to take advantage and enjoy some competitive advantage against those provinces and states adjacent to us who have burdened their manufacturers with this kind of a tax.

Mr. Speaker, the date that this legislation actually becomes, or became law May 1st, I think will be a signal and a significant one in terms of the history of this administration. They will look back - the members of this administration, Sir, I think will look back at Monday, May 1st as being something of a black day in the history of their economic planning, a day on which they failed either to recognize or to take heed of the storm warnings in the economy that had been up for some time.

The approach that they have taken by going ahead with their insistence of implementing this kind of measure to meet the budgetary commitments that they have staked out, which takes into no account the condition of small businessmen and manufacturers in Manitoba, I suggest will be one that will come back to haunt them in much the same way in terms of costs that some of the other programs they have implemented are coming back, and will come back to haunt them. In this connection, Mr. Speaker, I was disturbed by the fact that the government benches offered a considerable amount of laughter, and derisive laughter, the other day when my Leader suggested that the effects of this tax bill 21 will be borne out in the future in the cost of living statistics. He suggested that by next year the statistics on the cost of living in Manitoba as related to the total Canadian picture, will demonstrate that this piece of legislation was a damaging and an injurious measure. The response from the government benches to that suggestion was laughter and derision.

Well, Mr. Speaker, one doesn't have to cast one's mind back very far in this Chamber to recall another similar situation and another similar warning from this side of the House which came up on repeated occasions a year ago, when Members of this House were discussing the bill that unified the twelve municipalities in the Greater Winnipeg area into one municipal jurisdiction. At that time, at that time the warnings rung out loud and clear from every seat on every bench in this side of the Chamber, Mr. Speaker, that said it can't be done without spending millions of dollars and costing the taxpayers millions of dollars. As a matter of fact there were clear-cut predictions by people not necessarily inside this Chamber but by reputable authorities in municipal government, outside this Chamber, that before unification in the municipal area became an established, and successful, and complete fact, it would cost the taxpayers of the Greater Winnipeg area \$17 million and I suggest, Mr. Speaker, that the way things are going that prediction may not be that far off the target. By the time it's done, by the time it's properly completed, by the time it's effected and efficient, and that's the key word in the whole exercise, it may come to \$17 million, it may be more than that.

Now what happened, Mr. Speaker, what happened, Mr. Speaker, when members on this side last year attempted to suggest to the government that they were going too fast, that they weren't taking into account all the difficult and different and professional decisions that had to be made to amalgamate or unify twelve municipalities into one municipal core. When it was suggested that the costing formula were beyond the immediate determination, of the government and its advisors. . . .

MR. SPEAKER: Order please. I do believe we are on Bill 21 not on the municipal bill from last year. The Honourable Member for Fort Garry.

MR. SHERMAN: Well that's correct, Mr. Speaker. We are on Bill 21 but I'm talking about the effect of the planning and the speedy implementation, hasty implementation of government measures, and I believe the same thing is happening in the case with Bill 21, and I was simply trying to draw a parallel. When that measure having to do with unification of the municipal area was implemented last year and when the storm, the warning sounds, the warning cries went up from this side about costs, we were met on the other side of the House with a barrage of derision and laughter. The government said they knew how to do it, that it wasn't going to cost this kind - the kind of money we were talking about, that they had the formula all

(MR. SHERMAN cont'd) worked out. Well what has happened, Mr. Speaker, everybody in the whole municipal area, the whole total greater Winnipeg area is going to know fairly soon when they get their tax bills, and so are the members on that side of the House, and I suggest to you then, Sir, they won't be laughing, there won't be cat calls of derision coming from that side of the House, when those tax bills come out. And you know, Mr. Speaker, one of the Members on the other side who is going to have to do much of the most desperate answering, and most desperate rationalization and explaining to his constituents, is going to be our good friend the Attorney-General in the constituency of St. James.

So today we come, Mr. Speaker, to a situation where when my Leader, or my Deputy Leader, stands up and suggests that the effect of this Tax Bill 21 is going to make itself felt in the cost of living statistics next year, what do we have? We have the same blind, ignorant, insensitive reaction from a government that has refused to learn its lesson from the programs they have tried to ram through too fast before, the same insensitive reaction from that kind of bulldozing tactics and technique, and it's going to happen again, Mr. Speaker. It's going to happen again and when the cost of living statistics are available next year, Manitobans will find as we have suggested from the beginning of this debate, that the imposition of this sales tax is really a people tax. It's really a tax against people. It's going to cost the manufacturer more; it's going to cost the producer more; it's going to cost the operator more; and it's going to be passed down the line to the point where the consumer will feel it just as surely and just as effectively, as if it were imposed on him in the first place. Not because, not because the process of passing on that kind of a tax is inevitable, not because of that, but because many of the people, many of the industries that are being most severely and onerously hit by this legislation are industries in which there is a very small margin of profit and the additional taxation implicit in this legislation is sufficient to all, but wipe that margin out and I suggest that in some industries, Sir, such as the one on which my colleague from Swan River spoke, there are many operators who will be wiped out by it. So they are doing it all over again, Mr. Speaker, and one can only wonder at this point in the life of this Legislature and this government, how many times they are going to do it all over again and make the same mistake all over again.

Two weeks ago, ten days ago, Mr. Speaker, my National Leader, Robert Stanfield, was speaking to a fund raising dinner of Conservatives and referring to the disenchantment and the disillusionment that had set in across the land with the government and the policies of the present Prime Minister, the Right Honourable Pierre Trudeau, and Mr. Stanfield quoted an old Canadian proverb, or maybe it's an old English proverb, but I prefer to think of it as an old Canadian proverb. He said that the Canadian voter, the Canadian electorate would not be stung again by the kinds of promises implied and otherwise that the Trudeau steam roller and band wagon of 1968 had tried to deliver across the country - that's not a Hungarian proverb, and Mr. Stanfield said that the message and the feeling of Canadians was clear on this point, that their position was "fool me once, shame on you, fool me twice, shame on me". And that, Mr. Speaker, that, Mr. Speaker, is the developing, the growing mood of the Manitoba electorate with respect to this government that has done nothing to ease the economic difficulty, the cost of living, the cost tax price squeeze that Manitobans are in except, except, Mr. Speaker. . .

MR. SPEAKER: Order please. The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I wonder if this is the proper place to start the kick-off of the Federal Campaign?

MR. SPEAKER: Order please. Not a point of order. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, in response to that question I can only say that it's my understanding that the Honourable Member for Thompson kicked off his federal campaign several months ago, in three different constituencies. I wish he'd name the one he's finally going to pick, except - and I give him credit for this one thing, Mr. Speaker, - except shift the burden of medical premium payments off the people who were less equipped to pay and onto a more equitable basis. It would not have been necessary to undertake that program had some of the suggestions from this side of the House been followed, but I'm not quarrelling with that program. I say that that is one constructive, financial and fiscal step they have taken but I can't think of another one. They haven't created a fund of jobs; in fact, I would doubt that they've created as many as 200 jobs in this province since they took office.

(MR. SHERMAN cont'd) --(Interjection)-- With one major exception. With one major exception and I'm sorry that I didn't mention it before the Honourable Member for Thompson did, the civil service, which has certainly grown in healthy bounds and proportions.

So here we have, Mr. Speaker, a society and an economy which has been slowed to a halt, which has now been faced with an additional burden which deprives Manitobans of the competitive economic advantage they had which not only has an effect on Manitobans today, but has an effect in the future because who can tell - there's nobody on that side of the House who can tell, Mr. Speaker, with any degree of accuracy what number of manufacturers, or small businessmen, are discouraged either from coming into Manitoba or from expanding their operations in Manitoba by the tax measures like Bill 21 that have been introduced since this government came into office. Nobody can accurately fathom that potential loss. It's not just a loss actual, it's a loss potential, and so I leave that message from the people of my constituency, and I believe most of the people of Manitoba with the government, Mr. Speaker, "fool me once, shame on you - fool me twice, shame on me". And they on that side will have to live with it when those tax bills come out in two weeks, and when the cost of living statistics come out in a year, and then the evidence will be clear that this government far from saving Manitobans money, far from saving them worry, difficulty and anxiety, is costing them money, Mr. Speaker, with every measure they introduce, every day of this and any other session.

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MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I would like to spend a few moments reflecting on the collective wisdom that we have heard emanate from the side of the opposition during the course of the debate on Bill 21. And I hesitate to catalogue, you know, the summary of the erudition that has been demonstrated because I find it difficult to get past a first page. We've had a great cacophony of sound but there's really no harmony on the other side, no concerted and unified approach to this legislation with one exception, with one exception. They recognize, Mr. Speaker, that in the area of production machinery taxation that they might be able to win some friends in industry if they make a lot of sound and fury about what otherwise is a very reasonable form of taxation in other parts of Canada and considered so for many years. But simply because they ducked this issue in this province in 1967, and that was traditional because after all they wouldn't want to offend the friends in industry, that now for a government, a New Democratic Party Government, to look at taxation in a broad perspective rather than trying to single out areas where friends might be somehow annoyed, for us to look at taxation in that pragmatic way to them is somehow heinous. I suggest, Mr. Speaker, that what we've heard is really a lot of sound, they have really largely emptied their spleen of invective in respect to this taxation bill in a rather haphazard manner. They really weren't convinced of their arguments that they advanced in respect of this so-called people's tax because the attack on the additional taxation in respect to tobacco and liquor was only half-hearted. They realize these are drug taxes and these taxes have been recently increased substantially in their beloved sister province, and our beloved sister Province of Ontario, which happens to have a Progressive Conservative Government, and they realize, the official opposition at least, that they would be skating on extremely thin ice in the late spring to argue vehemently in respect to those areas of taxation. But somehow, somehow, Mr. Speaker, their ambivalent attitude, or their ambivalent style of debating, allows them to attack the taxation on production machinery ignoring the Ontario precedent.

And I would like to put on the record again, Mr. Speaker, the total effect of these changes in taxation. As much as it has been asserted in this House by the Minister of Finance and others who have spoken, the Opposition continues to argue somehow that this is a substantial increase in taxation in Manitoba. Now they believe that if they keep on saying things like that often enough and loud enough, that people will accept that there has been a substantial change in taxation for the worse. But the fact is, Mr. Speaker, that the Budget Speech indicated that there was going to be a substantial tax shift and there was going to be a tax reduction and this bill, Bill 21, reflects adjustments in sales tax but the totality of the tax change has been well advised during the speech of the Minister of Finance and others. We have outlined in some detail the magnitude of the shift, the educational tax credit plan will cost \$28 million. The increase in the provincial share of the education Foundation Program from 75 percent to 80 percent will cost another estimated \$6 million, a total of \$34 million in additional provincial government revenue into educational payment, a shifting away from direct municipal taxation to taxation found from the many resources of the provincial government.

But we have to find the basis for those funds, so where do we look. Surely the honourable members opposite are not arguing that we increase our personal income tax. No. They skate away from that one. They argued when we increased personal income tax and corporation tax that we'd have corporations fleeing from Manitoba like bees to sunny Alberta or some other place where they would find their capital headquarters. And they decried any change in personal income tax and they still do. But they'll promise all sorts of things, all sorts of benefits that they will give to the people of Manitoba by educational tax relief, but they won't tell us where they're going to find the money. The one faint effort that we heard here in the House so far during the consideration of the Estimates of the Attorney-General was a nonsensical suggestion about a movement away from taxation or supplying of police forces through consolidated revenues of the province, and shifting additional taxation on to municipalities that already have a grave difficulty in meeting other municipal services, a completely nonsensical argument. They keep on talking about finding economies by eliminating boards and commissions but they have yet to come up with anything specific. So where will they find the money for the shifts that they say can be done? We have offered some specific tax changes, changes in the Revenue Tax Act which will provide an excess of tax cuts over tax increases of \$14.7 million because the changes in The Revenue Tax Act will only yield an estimated \$15 million. The increase in the Tobacco Tax about four million, the increase in the mineral acreage tax, which I'm sure is a terrible

(MR. MACKLING cont'd.) thing in the eyes of the opposition, that is currently estimated to produce only about a third of a million dollars. So we are actually taxing far less, \$14.7 million less in fiscal 72/73 and shifting. shifting away from real property taxation to the tune of \$34 million and this is progressive budgetting.

Now, Mr. Speaker. there's no question but the magnitude of these changes has left the Official Opposition aghast. They have been endeavouring to come up with some basis of concerted argument against what is recognized as an excellent budget on the part of this government and very fair pragmatic tax changes. And I will wish to assure you, Mr. Speaker, that the kind of representation that we have been receiving does not reflect the hysteria and nonsense that we've been hearing from the opposition benches. The fact that the Honourable Leader of the Opposition could suggest that the changes that The Revenue Tax Act encompass amount to a one percent sales tax is sheer fabrication. I don't know how the Honourable Member of the Opposition . I don't know what arrangements he makes with the research monies that are available to the Official Opposition, but obviously they're wasting their money because their research staff can't calculate the basic arithmetic that's involved in these changes. How they could suggest that the totality involved amounts to a one percent of sales tax I don't know. But the honourable members don't pay any recognition to the fact that there are some substantial changes being made in sales tax, changes from mean, petty impositions that a Conservative Government in 1967 imposed upon the people of Manitoba. Imagine taxing used clothing; imagine taxing toothpaste. This is the kind of tax that the honourable members opposite felt was very reasonable and moderate.

Now, now the Honourable Member from Fort Garry shakes his head; he wasn't part, he wasn't part of that nest of people who passed that kind of legislation. But the Honourable Leader of the Opposition was, and for him now to put on that righteous demeanour in this House that this government, this government would impose a tax on production machinery, how terrible. And yet his government saw fit to tax little people in a substantial way in respect to heating, in respect to cleanliness - and then they have that kind of half-hearted attack on what after all has to be considered a very reasonable and pragmatic approach to changes in taxation. You know and, Mr. Speaker, they say that business under New Democratic Government is going down. And I'm sure that the honourable members may be responsible for producing that sign, will the last business leaving Manitoba shut out the light and so on. That's the kind of thinking, that's the kind of thinking that the honourable members opposite seem to delight in. And yet, and yet what do the forecasts indicate, Mr. Speaker? What do the forecasts indicate?

MR. SPEAKER: Order, please. I do believe we're not in Committee yet. I see members smoking; I see members talking all over the place. I do wish we'd have some decorum so that the Chair could hear what's going on. If we intend to go into Committee the Chair would like to be informed so I can get out of the Chair. The Honourable the Attorney-General.

MR. MACKLING: Well I'm sure, Mr. Speaker, that the brains of the opposition smoke sometimes with the heat of the argument that is addressed their way when they can't find it within their wit to find the answers. And, you know, it's delightful to be able to smoke them out, Mr. Speaker. Because they parade as the champions of little people but that was an administration, I say the Progressive Conservative administration, that imposed some of these mean petty taxes against the people of Manitoba. And they cry, they cry foul, they cry gloom and doom, they cry hysteria; they say that there will be great losses of industry and entrepreneurship from the Province of Manitoba. But the forecasts, what are the forecasts from one part of Canada to another in respect to development prospects, new investments? And the statistics that are available indicate that Manitoba, the expectations are that it will be second highest in all of the ten provinces in new investments, in developments in the whole of the Dominion of Canada. And, you know, faced with that kind of factual demonstration I wonder how anyone really would accept at anything like face value the kind of arguments that have been addressed all during the course of this debate in respect to this bill. Obviously the honourable members are trying to make a lot of confusion, make a lot of noise to take away from the effectiveness of what is a first class budget and certainly reasonable pragmatic steps to provide revenues to meet an extensive tax shift.

Now what about production machinery tax? You know that's really the only tax that the honourable members opposite have really had much to say in a very concerted and coherent manner. But what about Ontario? Why don't they consider what their brother politicians in Ontario have said about production tax? Is it so terrible? Well let's hear what a Progressive Conservative in Ontario said in 1969, the former Ontario Provincial Treasurer. He stated -

(MR. MACKLING cont'd.) when describing his government's plans to introduce sales tax on machinery and equipment in the spring of 69, and in his budget address this is what he had to say. And I commend it to the thinking of the honourable members opposite: "We have studied this area thoroughly. We have reviewed the practices in other jurisdictions and examined the fairness of various options in terms of the over-all equitable tax structure which we hope to develop. As a result I now propose to remove the existing exemptions for machinery and equipment used in the production of goods and the provision of taxable services. The existing exemption on machinery for use in farm production will be continued. I am quite aware that the taxation of production machinery is a major move by this government, but I hope to explain why after much consideration we have decided to do so. We feel that the withdrawal of this exemption will remove a substantial grey area of doubt and administrative inconvenience both for the government and the private sector. We also consider this extension of the tax base a fair and equitable one. As you will realize this additional tax on corporations will become an allowable expense under corporation income tax, which is automatically shared by the federal and provincial governments to the extent of some 40 percent by the Federal Government and 12 percent by the Ontario Government."

Now that wasn't said by someone on this side of the House in defense of this tax change. It was said by a Progressive Conservative in the Province of Ontario in 1969 in defense of fairness and equity in respect to taxation.

And I suggest to you that for the honourable members opposite to suggest that their arguments against taxation of production machinery is not only out of keeping with progressive conservative thinking in the rest of Canada, it shows how base and how reactionary is their thinking and how out of step they are with any progressive thought in any part of this country. To suggest, to suggest that taxation on production equipment and machinery is something that will be a crippling imposte upon business and enterprise is absolutely false. The honourable members know, the honourable members know that they, those people in business are able to charge against their operating expenses that kind of cost and that isn't the kind of crippling thing that the honourable members make it out to be at all. As a matter of fact they know, they know if they would talk to any entrepreneur - and their lack of awareness of entrepreneurship in this province is amazing for a group that feels that they have some kin and some affection for business in this province, is startling. Any businessman that has any degree of business sense will tell you that a production machinery tax is an insignificant factor in the decision as to whether or not a particular business is viable or not. The most important thing is the cost of borrowing, the cost of borrowing to set up production equipment and machinery. And the honourable members know that we have been suffering under inflated interest rates and cost problems, costs of distribution, costs of freight which are long-standing, extremely vexing - and we in this province have done our utmost to try and overcome the imbalances that are imposed from a Federal-Provincial relationship that has seen us suffer for many, many years. Now to suggest that this factor, the factor of production machinery tax is significant in respect to the production or the development of business in this province is farcical.

Now the Honourable Member from River Heights, the Honourable Leader of the Opposition, he has spent many many hours during the course of the disposition of the Committee of the Whole House and other members with him making a lot of statements. Today we heard some more suggestions from him, and you know when you hear them quickly they don't sound all that unreasonable because after all he didn't seem to indicate that they were very unreasonable and one would think that with his business expertise that you know they were very logical and reasonable arguments. He suggested that instead of taxing the person who rents production machinery we should tax on the basis of an assumed purchase price. But you know the administrative malaise that would be involved in trying to determine what would be the reasonable tax particularly when production equipment and machinery may be used for periods shorter than their full depreciable lifetime, it is just incredible. How would you work through this awfully difficult maze when you consider that problem? Also the very logic of the rentals, the technique, and the principal of using machinery on rental rather than purchasing, surely has to indicate something to the Honourable Leader of the Opposition. The businessman who wants to rent equipment doesn't want to be forced with a substantial capital outlay. He is prepared to pay by installments the use, and charge that completely off for tax purposes the use of equipment that is necessary in his business. Now, why should he want to pay a lump sum tax surely he would want to do the same thing. Pay his tax by installments because if he pays a lump sum

(MR. MACKLING cont'd.) . . . tax he is going to be losing the benefit of interest on that lump sum that he is going to be paying. Now surely the honourable member of the Opposition isn't doing anything for the renter of production machinery. The renter of production machinery would tell the Honourable Leader of the Opposition, no thank you to his suggestion.

Furthermore the Honourable Leader of the Opposition said that there was something terrible about the timing of this imposition of taxation in respect to production machinery, and the other tax changes. He suggested that - particularly in respect to the renters of production machinery that we shouldn't impose the tax until we presume the bill is fully passed. Well, I don't know, he would rather that we never passed it, and never imposed the tax, but at least he would like it deferred until finally after protracted debate that it had actually been given royal assent. Well the Bill does make provision for this taxation not to be imposed until October 31st, and there's still some flexibility with the Minister in respect to some categories. And let me remind members of the Opposition that in 1967 when the Progressive Conservative Government of the Province of Manitoba imposed Sales Tax they didn't provide for any deferrals or extensive delays. They didn't provide that it was only come into effect when the legislation was given Royal Assent. It was effective immediately and I would like to remind honourable leaders if they want to check on that that our tax department apparently imposed this Sales Tax on a fleet of fancy white Cadillacs that had been brought in for the Pan-American Games. How do you like that one? That was a sensitive, reasonable, very fair Progressive Conservative administration in 1967. They even forgot about their wealthy friends who were going to be driving white Cadillacs.

So you see, Mr. Speaker, the Opposition although they have been saying a great many things about, and there have been a great many similar things about this legislation, really haven't been scoring any points of any significance in respect to this Bill.

Now the Honourable Member from Fort Garry in his wide-ranging, in his wide-ranging review of the possible effects of legislative changes ignores the very substantial shift away from Real Property Tax that we have made provision for, and he thinks that somehow the people in my constituency and other parts of Winnipeg are going to feel very annoyed, and very uptight, and very antagonistic towards this Government. Well I want to assure the Honourable Member from Fort Garry and others that many of my constituents will receive a benefit of close to \$140 in tax shift, and they would not have received this kind of tax relief under a Progressive Conservative Government because that government, that government made no imaginative tax changes, they made no imaginative tax changes since the 1950s.

And you know the noise, the noise that they make in respect to production equipment, and I don't know I didn't hear too much about the mineral tax. Maybe I missed some of the heated moments over there, but I'm sure that they hope identifies them close to the people from whom they expect to get major campaign contributions and, you know, big business of course. I mean you have always wanted to be very close to them and you are very sensitive to the views of the Manufacturers Associations and Chambers of Commerce, and so on, and I am sure you want to be aligned on the side of those whom you expect will be very warm towards you come election time.

But you know the people of Manitoba in recognizing the shifts that have taken place in taxation, the cuts in taxation that have been brought about under this administration will recognize very responsive, very progressive and very sincere efforts on the part of this Government to bring a greater measure of equality in the imposition of taxation in this province and a fairer quality of life to all.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, summoning up a few remarks on Bill 21 at this time let me say at the outset how delightful it is always to hear the speech delivered by a 19th Century socialist in this chamber, and I should say to the Honourable Minister of Finance I think he had reasonable hopes at this stage of the game that his Bill was progressing onto that point where it in fact will become law. The fact that it probably suffered a set-back of some 50 or 20 years by his colleague's contribution just now, will of course I am sure be taken into account if we now feel reinspired to reintroduce some of the arguments that we may have forgotten or that we hadn't completely and totally underlined in our first go around.

Mr. Speaker, the problems that we hear from the other side they are indicative of the fact that they have not listened to what we have been telling them on this side, and I suppose that's part of the game. They are as blind and as deaf to our suggestions as we are perhaps to some

(MR. ENNS cont'd.) of their guidance from time to time, except that in this particular area we believe that some knowledge, some understanding of what it is all about has perhaps some advantage.

Mr. Speaker, I don't know which speaker it was whether it was the Honourable Minister of Finance, or the Minister, or the Member from Inkster indicated, took some pains, in fact did a bit of research that indicated that we had certainly in our tenure and during our stewardship of government on more than one occasion increased taxation indicated, and correctly so, underlined the fact that on more than one occasion and more than one budget a Progressive Conservative administration had indeed imposed various levels of taxation on the people of Manitoba. Mr. Chairman, Mr. Speaker, that certainly is a statement that no one would want to deny. If one casts back only briefly to the fact, fairly commonly known fact, that the time the administration of the Progressive Conservative Party took office the total budget of this Province was some \$85 millions of dollars and during our stewardship the revenues raised to some what, 400, 370, 400 million dollars? In the intervening years of course this government has really shown us how to accelerate that rise. But it would be foolish, it would be foolish for any spokesman of the former administration to suggest that the administration that we at one time informed was not responsible for tax rises,

Mr. Speaker, the question at hand is more important as to how the money is being spent, and secondly, the question that has already been raised, but totally ignored by the other side, is the question of balance, where that fine line is drawn, where the private sector in our economy can and indeed will and will with some degree of enthusiasm operate in our economy, or whether it will choose to pull in its horns, choose not to exercise the entrepreneurship ownership that it inherently has, or at worst choose to leave this province. Those two areas, Mr. Speaker, are really the thrust of this debate and the thrust of the message that we have been trying to bring across on this floor.

I am not prepared to say, Mr. Speaker, I am not prepared to suggest at what particular level taxation is acceptable to any group in our society. The average man, the rich man, business, the farmer. I think that's a level, that's a line that will be a constant changing line. Certainly we are at a line now that was dreamed of as completely unacceptable 30 years ago, or 40 years ago. The question is, is the degree, or is the taxation that we impose, or governments impose from time to time, when does it become punitive and when does it become a penalty, and when does it deter development both private as a private individual person, or corporate company, or corporate structure, or indeed in the whole public sense insofar as it makes it possible the availability of a government to operate effectively and discharge its responsibility for the people.

Mr. Speaker, that is where the argument lies, and of course that's where we have a real philosophical problem with members opposite. The members opposite do not, and I repeat, do not particularly care how the private sector operates. And I make that fundamental statement that, that although they mouth words, sweet sounding phrases of the desirability of the private sector working harmoniously with the public sector, but in actual fact and in actual practice, given a choice their decision will always fall in favour of the public sector. If it is a question of a housing policy for this Province then certainly the private housing sector is expendable as compared to the public housing enterprises put forward by this government. That surely, Mr. Speaker, has come through loud and clear from the members opposite.

Mr. Speaker, we are dealing with a socialist government. I say that not to throw labels around. I say that because I believe them when they tell me their intent and when they tell me their purpose, and when they tell me their direction and guidance.

Well, Mr. Speaker, the arguments as to whether or not the imposition of the taxation measures in Bill 21 are indeed going to be that onerous, that it will cause this or that effect, cannot be taken in an isolated you know position just as they relate to Bill 21. The Honourable the Attorney-General he took great delight in reading to us certain sections from previous budget speeches, or policy of the Progressive Conservative Government of the Province of Ontario, and it is true in the Province of Ontario we have Production Machinery Tax but, Mr. Speaker, what I have been trying to say in this House is you don't isolate, and certainly the businessman in this community doesn't isolate. You have to put down in column form what is the corporate tax paid by business in Ontario and what are they paying in Manitoba? What is the personal income tax paid by the employers as well and everybody else in that enterprise, and what is the personal income tax in Manitoba? What are the Succession Duty Taxes, and what are the other disadvantages of doing business and then you'll really - and what is the

(MR. ENNS cont'd.) production tax on production machinery? And it's only that way that you add up and, Mr. Chairman, did the Attorney-General suggest to me that Ontario is paying a higher Corporate Tax? Did the Attorney-General mean to suggest to me that the Ontario employer is faced with his employees having to pay a higher personal income tax in Ontario? Is he --(Interjection)-- Well Mr. Speaker, that's the whole point, and that's the whole suggestion that is being made from this side of the House. The reason why we have taken such strong opposition to this Bill is that in view of the steps already taken by this government in the last three years. You know, and I will - you know they have made - what is that phrase that is in current use in the Southeast Asian War Pursuit and - Search and Pursuit

A MEMBER: Search and Destroy.

MR. ENNS: Search and Destroy, or Search and whatever it is. They've searched out those specific areas that would in any way tarnish the Province of Manitoba from not being the highest taxed province in the Country. And given a few more budgets I can assure you, Mr. Speaker, that they will have found all the loopholes, all those areas where perhaps we are either at par, or we are below some other sister province in the country. And Mr. Speaker, they do so with the kind of speech, the kind of response that the Attorney-General, that the Attorney-General just made in this Chamber. They say, No. 1. We were afraid to tax the rich castes and our friends in industry, and so we overlooked this thing for so many years, and they are going to correct that social - you see they approach taxation in this manner certainly as not so much as a revenue raiser but as a program of social reform, as a program of social reform, and that has certainly a considerable amount of merit to it if you want to look at taxation as a whole. It becomes very dangerous if you look at it in bits and pieces isolated from the whole and isolated from what is happening nationally in this country because certainly Canada as a major trading nation of this world. Canada would not exist today. We would not be talking about the kind of things that we are encouraged to think we can do for our people in ways of health and medicare services, what we think we can do for our aged in ways of housing units, in terms of pension allowances, what we think we can do for our sick, and what we are in fact doing in all these fields. Because of the ability of our nation to produce and to produce competitively, and to sell competitively in the world markets.

Now, Mr. Speaker, to forget that fact as these gentlemen opposite are forgetting it every day in this Chamber does spell a bleak and dismal future personally for this province, more important for our nation as a whole because unfortunately, unfortunately the distinguishing marks between the honourable members to my left here, that is of the Liberal party, and the New Democratic Party become just about non-existent when one pursues it from this point of policy, or tries to determine where their intentions and where their concerns actually are. Mr. Speaker, let me then for the record at least put it very straight and very plainly. I want to refute the suggestions made several times, and they're made deliberately, and they're made politically in this Chamber by members opposite, that the Progressive Conservative Party, the Progressive Conservative Party exempted production machinery from taxation for reasons that have been given in this Chamber, for reasons that we did not want to offend those who may from time to time have supported our cause, or may in the minds of the Attorney-General automatically support our party politically. That of course is blatant nonsense. The reasons for the exemption were as valid then for this province as they are now for this province, and quite aside what is being done elsewhere in the country this constant refusal to recognize the unique position that manufacturers, business community faces in this province in attempting to be competitive, in attempting to expand their facilities in this province, you know is a source of amazement because there must be at least a few persons on that side of the House that have some understanding of business costs, costs of productions, competitive factors that our secondary manufacturing industry faces in this province as compared to Alberta or to B.C. or Ontario. Freights - surely if nothing else you've heard the farmers cry enough about problems of freight, our freight structure here in this country to know that the same applies and is applicable to our entire secondary industry in this province.

Mr. Speaker, the question then is - and that's the point I want to cover - is the inability on the part of the government, the lack of any sensitivity to at least express that concern that I have expressed. They need not accept my analysis; they need not say that the line which we're saying is drawn here, it can and will be harmful; it's going to cost jobs; it's going to slow down development, but this in isolation, but this in total with the other measures that you

(MR. ENNS cont'd.) . . . have taken. Now you can dispute that, you can argue that, you can say no, the line isn't there, the line is way up there and we haven't reached it yet and we intend to reach it. But they don't argue that way, Mr. Speaker. They don't even argue that way. Mr. Speaker, and all that leads me to believe is the truth of my earlier statement that they essentially and basically don't care. You see they put on a show about having a concern as the Attorney-General did about will the last business meeting in Manitoba, please close the lights. So the truth of the matter is they don't give a damn if they leave, and I don't think they even worry if they leave the lights on because the way we're going at our Hydro power development right now, you know who worries about economies when we can spend and waste 50, 60, 70, 80 million dollars at a crack. So why should anybody worry about turning lights off.

The other point, Mr. Speaker, that I wanted to make at this time was how the government spends the money. Mr. Speaker, the government that I was fortunate to be part of certainly had to accept the responsibility of from time to time imposing new taxations and taxation measures on the people of Manitoba. I would suggest to you, Mr. Speaker, and I haven't heard it from the other members opposite, that the reasons for the progressive government that the Progressive Conservative Party provided this province over a decade were not for raising taxes. Essentially, Mr. Speaker, the people of Manitoba scrutinized and saw how their monies were being spent. Mr. Speaker, the people of Manitoba wanted and accepted the revenue measures that had to be undertaken to build and bring this school system of Manitoba into the 20th Century. Now we hear a lot of talk, and a lot of politics are being made now about every time the Foundation Program is raised up five percent from 70 to 75 percent or 60 to 65, or 65 to 70 percent. Mr. Speaker, it was the Conservative government that started the Foundation Program that had to get it from 0 to 60 to begin with, and money had to be raised for that. Mr. Speaker, we hear all kinds of guff from the other side about their social and their health programs, Mr. Speaker. Let me tell you, Mr. Speaker, the hospitals originally had to be built in this province for any hospital care or any hospital program to operate in this province, and those hospitals were built by a Progressive Conservative government. Mr. Speaker, let me tell you the Medicare scheme would not be operating today unless we had the ability, the teaching beds available the University of Manitoba built to the medical staff, the medical colleges built to the level it was. For all of these reasons, Mr. Speaker, we raised taxations, we raised revenues for the . . .

MR. SPEAKER: Order, please. Would the honourable member address himself to Bill 21.

MR. ENNS: Mr. Speaker, I believe I'm covering it. Mr. Speaker, I'm referring to the fact that people, an enlightened public by and large will either accept or reject taxations imposed upon them by governments if the people so exposed accept the use to which those taxes are put. Mr. Speaker, I object to the use that this government with singular exception is by and large putting to the increased taxes that they are putting on the people at this time. Mr. Speaker, I object particularly in the many minute ways that they are wasting the taxpayers' people money at this particular time. Mr. Speaker, this is a revenue, this is a tax measure designed to raise revenue so that the government can operate how they see fit. Mr. Speaker, I suggest to you that it's rather ironic that the expenditure of this kind of money on an advertisement, on an advertisement, a tax theme you can pocket. Mr. Speaker, you know this kind of an advertisement in the daily papers, you know running - you know there's only one thing wrong with it of course. It wouldn't be that there's a proposed Wolseley by-election coming. I suppose the next ad will have a little square on the bottom with mark you X with Schroeder or something like that. --(Interjection)-- You know my brother Ernie Enns is running in Wolseley and I suspect he's going to be running a difficult . . .

MR. SPEAKER: Order, please. Order, please. I'm reminding the honourable member once more, we're on Bill 21 and no by-elections.

MR. ENNS: Mr. Speaker, I'm suggesting to you, Sir, Bill 21 deals with a measure to raise revenue for the Province of Manitoba. The Province of Manitoba is expending its revenue in this fashion, authorized by the Honourable H. R. Pawley, Minister, on an ad that must cost at least what - five, six hundred dollars? Five, six hundred dollars? Well, Mr. Speaker, we've heard this before in the Autopac debate. One of the reasons why the premiums were going to be lower because there would not have to be any advertising. Mr. Speaker, we've been bombarded with advertising ever since. Bombarded with it ever since. --(Interjection)-- Right. But does a person pay for that? The public ever pay for that? Mr. Speaker, I don't

(MR. ENNS cont'd.) want to be diverted by the Honourable Minister of Municipal Affairs whose name appears, whose name appears at the bottom of this ad. as I suggested it will probably be another name next time. Schroeder or something like that, but I do want to bring it to your attention, Mr. Speaker, that that is what is exercising the people of Manitoba when they see their tax money so being spent.

Mr. Speaker, when the Honourable Member for Fort Rouge raised the question in this House that the increase in the use of taxicabs has just skyrocketed out of all proportions, out of all proportion in the area of the Department Health and Welfare. That is when the people of Manitoba start getting concerned about how their taxes are being spent. Mr. Speaker, when we see no effort, no effort on the part of the government to in any way contain themselves from hiring and ballooning up the civil service --(Interjection)-- Well, Mr. Speaker. I don't even want to say that. I'm just saying that in fact as I said on an earlier debate, indeed there seems to be an apologia from the government that if anything the civil service hasn't grown large enough.

Mr. Speaker, I suggest to you that the manner and the way in which the increased revenues are raised by this government is one thing. The manner and way in which they are being spent is another thing, and that, Mr. Speaker, undoubtedly will prove to the Achilles heel for this government.

The Honourable Member for Fort Garry raised probably the most important point in this question again about how the tax money is being spent. Do the honourable members now begin to realize that their total medicare shift for which they're so justly proud, and their total tax shift for which they're spending thousands of dollars to advertise, is going to be wiped down the drain by the hasty, ill-thought out bill that we passed in such a rush last session, Bill 36, The Unicity Tax Bill. Mr. Speaker, fortunately this year the city council, the Unicity Council was able to hold the line and there was no appreciable increase in taxes this year. Understand me those tax increases announced for Charleswood and St. James would have to be so interpreted as being fortunate that they held the line. There's only 20 or 30 mill increases this year. Next year as the Minister of Finance knows is when the clinch comes. Next year the clinch comes.

If anybody thinks in Unicity that this year their taxes are going up they have another think coming to them because this Unicity operation has only been going for three months. They haven't started unifying the police forces; they haven't started unifying the fire forces, they haven't started filling in the ditches in Brooklands and in Charleswood and providing them with the same services that the rest of the city has and they now deserve. They haven't brought in Headingley and brought in the same services that they quite correctly demand. These, Mr. Speaker, are all the things that we told them last year about that bill, these are the things that are going to put on a 25 or 30 million tax bill on the people of this city, and, Mr. Chairman, all that comes on top of the measures that the Finance Minister introduced earlier that brought this province into its highest corporate structure, tax structure in this country. All this comes along with his Succession Duties Tax, all this comes along with his Gift Tax, all this comes along with his personal income tax which he still argues is by some strange reason lower at 42 than it was at 39. --(Interjection)-- Mr. Speaker, Mr. Speaker, let me simply say this. --(Interjection)-- That they will convince themselves of the righteousness of their cause, the people of Manitoba will see the fruit of their workings and they will make their decision in due course.

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

MR. WALDING: Mr. Speaker, I thank the Honourable Member for Lakeside for his fine analysis of the government's present position. I am sure that he would welcome a similar analysis from this side as to the Opposition's present position on this tax bill. Now I note from Votes and Proceedings that we've been debating this bill for just about two weeks, and there have been suggestions from this side of the House, and also from the Press, that the Opposition is involved in some form of filibuster on this. And the Member for Fort Garry told us very virtuously that this was not so; that in fact it was the duty of the Opposition to subject every bill, particularly the more controversial ones, to a very close and keen scrutiny. That hopefully they could prevail upon the government to make some changes to bring about some relaxation in its position, and that hopefully it's the position of the Opposition to present a reasonable alternative, some other platform that they hope can take the place of the government's position. While I am inclined to agree with the Member for Fort Garry that this is the function of the Opposition and they are justified in taking all this time in subjecting Bill 21 to the close scrutiny

(MR. WALDING cont'd.) . . . that they have done. And I tell them to take all the time that they wish on this, 'take all the time in the world because they need that time.

And just to put the present situation into perspective, Mr. Speaker, let us look back for the previous three sessions and note the effectiveness of the Opposition in those three sessions, and we find that in 1969 the first major program that the government brought in was its medicare shift and to pay for it it necessitated an increase in both personal and corporate income taxes. At that time the Opposition mounted a very bitter and prolonged attack on those tax increases and that was an effective Opposition at that time, Mr. Speaker. They made a lot of noise and they put the point across to the public but their position was essentially a negative position opposed to something positive that the government was bringing forward.

And in the following session of 1970 when the government brought in its second major policy position that of Autopac, the Opposition mounted an even more prolonged and even more bitter campaign against that and that time they were effective too with the help of the insurance companies and the insurance agents. and I'm told something like half a million dollars that was donated by the insurance industry, they practically brought the government down. But again they were effective in a negative manner when they were opposing a progressive and forward-looking government measure.

In the following year in 1971, which has been mentioned by the last speaker, the government brought in its third major progressive measure the Unicity Bill and again the Opposition was effective in its opposition to that and they debated for a great length, and again they were effective in that they were a negative force when the government brought forward a progressive and forward-looking measure.

Now we come to this session in 1972 which is readily admitted to be the year before the next provincial election. When this government had been told that it was moving too quickly, that it should slow down for the 72 session, that it should force and consolidate its gains and really not make any major moves in this session. And this was readily admitted; the Opposition had prior knowledge of this. And I suggest, Mr. Speaker, that this gave the Opposition a golden opportunity to come forward with its own platform, to bring forward its own principles, and to show the people of Manitoba that it was indeed a viable alternative to this government. And this is indeed what was expected by the members on this side. But they didn't come through with that policy decision, Mr. Speaker, they blew it. They produced no new statements of policy, no new platform. The only minor things that they have come up with is the Member for Morris who says that maybe we should tax hot air, and the Member for Fort Garry who says that we should not pay for the Royal Canadian Mounted Police until he found out that it would cost twice as much otherwise, and that's all we've heard, except the usual - the perennial bleat from the Leader of the Opposition who tells us that somehow they would trim the fat from government expenditures. And the voters of Manitoba can justifiably be cynical when they hear that, Mr. Speaker, because in the ten years that they were in opposition, they were not able to do it and in fact, no other government in this country was able to do it. They have come up with absolutely no tax proposals at all and I suggest, Mr. Speaker, that their performance in this session so far has been totally ineffective.

The lack of thrust from the opposition benches has been characterized by widespread and consistent nitpicking. We have heard the Member for Fort Rouge stand up in righteous indignation and ask the government why persons of lower status should be allowed to ride in taxicabs. Other members of the opposition have wanted to know about some buses that this province is building and providing jobs for Manitobans. The new Hydro critic from the Conservative back-bench, the Member for Pembina who stands up and tells us that he doesn't know anything about Hydro but he knows all about \$2 million Indians. And the Member for Roblin stands up and tell us that this tax is going to hit the businessmen - the small businessmen of Manitoba. And his colleague, just behind him from Sturgeon Creek stands up and says "Oh that's not true - it's all going to be passed on to the consumer. it's the man in the street that's going to pay this tax." I suggest that they get together with the Member for Birtle-Russell because he doesn't agree with either of them. He's against all taxes. At least he has no trouble in being consistent on this. I would just like to hear him at the next election when he goes round to his constituents and tells them that he's against all taxation and that they'd better pay for their own roads and their own drainage and their own medical services and their own hospitals, because the government's not going to pay for it any more.

So, Mr. Speaker, I'm suggesting that the opposition has blown whatever chance it's had so far and that if it has a new policy, an alternative to put before the voters of Manitoba, that

(MR. WALDING cont'd.) now is the time to bring it forward, to forget all this long-winded prattle that it's been indulging in for the last two years and put something before the people that they can really compare with. But if they haven't, and if they agree with me that the only time that they can be effective is when they are in opposition to something, and that the more negative they can be, the more effective they can be, then I suggest they take all the time in the world, because they need it, as time is rapidly running out for them.

. . . . continued on next page

MR. SPEAKER: The Honourable Member from Morris.

MR. JORGENSEN: Mr. Speaker, I am prompted to rise by two people who spoke this afternoon on the government side -- the Attorney-General who, Sir, is a compulsive speaker. The Attorney-General has to inflict his views upon all and sundry on every conceivable subject that is raised in this House, and I am sure much to the dismay of his colleagues, because one just had to watch honourable gentlemen opposite behind the Attorney-General when he was speaking to get the impression that they were wishing that once in his life that he would shut up and sit down.

The Minister of Finance, the Minister of Finance was doing reasonably well in defending a rather indefensible matter before this house and I give him credit for the patience that he has exhibited in listening to gentlemen on this side of the House in their efforts to point out to him the error of his ways. All that list of credits that he had built up as was pointed out by the Member for Lakeside, was destroyed by the Attorney-General who offered a rather ridiculous defense, and I won't deal with it because my colleague the Member for Lakeside, handled it very well and I think nothing more needs to be said about that. But it's a characteristic of the Attorney-General who suffers from a very bad case of foot and mouth disease, and seems to be incapable of allowing his colleagues to carry on a debate in which they are doing reasonably well. He doesn't seem to be satisfied unless he has destroyed all the creditability of the government with his rather asinine arguments. But as if that wasn't enough, the Member for St. Vital whose contributions to this Chamber have bordered on the ridiculous, the kind of contribution that is always interesting to listen to because he continues to drag up these old socialist arguments, these dogmas and characteristic of socialists when their initial direction gets them into difficulty, they have the answer to that, and that is to move further in the same direction, like curing a dose of strychnine poisoning by doubling the dose, that is the essence of the arguments that's presented by the Member for St. Vital.

One of the reasons the Member for St. Vital mentioned a filibuster, Sir, he doesn't know what a filibuster is. He has never seen one. Well now there is the Member for Thompson, saying that this still is a filibuster. Sir, I will give a definition of a filibuster. I will give a definition of a filibuster. That is the sort of thing that the former Minister of Highways, now the Member for Thompson, indulged in presenting his estimates to the House last year. That sir, was a filibuster. It had no point other than to take up the time of the House to prevent other people from speaking. That's a filibuster.

Sir, the contributions that have been made on this side of the House by members all were directed to draw to the attention of the government one salient factor, and that is the increase in the cost of living that Manitobans are going to be subjected to as a result of the imposition of this tax. These people across the way, Sir, are continuously trying to fool the people into thinking that they're soaking the rich, and that the little fellow is going to be left unscathed, that he is not going to be affected by these tactics. Sir, during the Budget Debate I read into the record a letter from a pensioner in Middlebro, the south-eastern part of this province. The Minister of Finance asked me to table the letter so he was able to read it. And in that letter this gentleman, who is typical, who is typical of all Manitobans, indicated how the cost of living, how his costs had been increasing since this government came to power. Increasing as a result of the so-called tax shifts, as a result of the so-called decreases in taxes, as a result of all the beneficial things that all my honourable friends opposite are saying they are doing in order to help the little fellow. Well, Sir, what they are doing is making it more and more difficult for him to survive. What they are doing is making it more and more difficult for the businessmen to survive in an economic climate that lends itself to big government, big business, big union, and big everything else. That, Sir, is the result of the kind of things that honourable gentlemen opposite are doing.

Now the Member for St. Vital mentioned three important policy directions that this government undertook and criticised us because we had opposed them. I wonder what he thinks an Opposition is on this side of the House for. He doesn't even understand the prime function of the Legislature, and I would suggest to him that maybe he go to a lecture and listen to one -- as a matter of fact, I am speaking at a school in Altona on Thursday and I would invite him to listen to it. I invite him to listen to it, maybe then he will learn the real purpose of the Legislature existing. He seems to think . . .

MR. SPEAKER: Order.

MR. JORGENSEN: He seems to think, Sir, that the purpose of the Legislature and the

(MR. JORGENSEN cont'd) purpose of the Opposition, is to stand up and cheer the government, and that if we don't cheer loud enough and if we don't cheer loud enough, then somehow or other the economy is going to be adversely affected. -- (Interjection) -- Yes and I knew he'd respond. The Member for Inkster said you are using my speech Warner, and that's precisely what I'm doing. I was waiting for that kind of a response because that's what the Member for Inkster said when he was on this side of the House. -- (Interjection) -- Yes, that's right. I know all about it, I read the speech. Now you see, my honourable friend, the Member for St. Vital should be reading the Member for Inkster's speeches because although I disagree with the Member for Inkster on many issues there is one thing I will say for him, he knows the function of this place. He knows the reason why we the Opposition are here, and that duty, not only the responsibility but the duty that they have in opposing, in drawing to the attention of the public matters that they should have their attention drawn to.

The Minister of Finance seemed to be in an unseemly hurry to get this legislation through and one reason for that, Sir, is because the public were not informed of the implications of this tax. They are now, Sir, and that is one of the functions of an Opposition. But the Member for St. Vital, the Member for St. Vital talked about the Medicare shift and went on to say how this has saved the people of this province such a considerable amount of money in their Medicare premiums. Well the people are still paying for it, they are paying for it in increased costs and I asked the Attorney-General this afternoon a question that I thought was very pertinent, and I too would like him to undertake, or have the Consumers Bureau undertake, a survey of increases in the prices of consumer goods as a result of the imposition of this tax, and he will find, he will find that rather than saving the ordinary taxpayer money, that their costs are going to be increased as a result of the imposition of this tax and that, Sir, is the point that we have been trying to make. It hasn't got through to the Member for St. Vital because he's all wrapped up in his ideology, and his philosophy, and wouldn't choose to believe anything if it were pointed out to him in black and white. He has his mind made up and he doesn't want to be confused with the facts.

Then he talked about the -- he said the second major policy shift of this government that was of such tremendous importance was the automobile insurance program, and I ask him has that saved the taxpayers any money? Well it certainly hasn't saved the automobile drivers of this country any money. Well my honourable friends opposite said, "Ask them". "Ask them", they say. Well I have been talking to a number of people in my constituency, and I have my own insurance policy. I'm paying more for less, for less coverage. Paying more money for less coverage today. This major instrument of the government, the major instrument of the government at least stated by the Member for St. Vital does not mean anything to the average motorist. The average motorist is paying more money, and particularly from the rural areas. Paying more money for automobile insurance premiums and getting less coverage, and that, Sir, -- (Interjection) -- You know the Minister of Municipal Affairs is going to have an opportunity to reply when I'm through. I invite him, I invite him to get up and defend that which is indefensible.

Then the third major policy that the Member for St. Vital pointed out to this House that he thought was such a major piece of money saving equipment for the people of Manitoba, is going to result in increased taxes to the people of Winnipeg. It doesn't matter which direction this government moves, the end result is always increased cost to the taxpayer and to the residents of the people of Manitoba. That, Sir, is the inevitable result of the philosophy of these people. It's inevitable. And it doesn't matter how they attempt to define it; it doesn't matter how they attempt to twist it, the fact is, the fact is, Sir, that socialism and this government reap higher costs, higher costs, greater expenses for the taxpayer, less take home pay, and less freedom.

Now then, I want to deal for a moment also with that newspaper advertising that appeared in the newspaper. Sir, that is not, that is just not something that is reprehensible. Sir, talk about wasting the taxpayer's money; it's worse than that. It's worse than that, because the implications are even greater. This government passed a bill restricting the spending of money during an election campaign. This, Sir, is nothing more than a deliberate attempt to by-pass that knowing full well that a by-election is going to be called and that they're going to get in free advertising at the expense of the taxpayer. Sir, that is not only a waste of taxpayers' money, that is a reprehensible practice on the part of the government in an effort to use the taxpayers' dollars to cover their advertising.

(MR. JORGENSON cont'd)

Sir, when the government have to pay for advertising like this in order to tell people something that is compulsory, or will be compulsory when it's passed, then it goes beyond the bounds of reason. -- (Interjection) -- Well here is the Member for Thompson, here is the . . .

MR. SPEAKER: Order.

MR. JORGENSON: Here, Sir, is the Member for Thompson who sets such high moral standards for everybody but himself. When the Member for Thompson's moral standards starts reaching the level of his expatiations and the expatiations of others then I'll start listening to him. He is great setting moral standards for everybody else and conduct for everybody else. I only wish that his own performance could match that which he tries to set for everybody else. Now, Sir, . . .

MR. SPEAKER: Order, please. The Honourable Attorney-General on a point of order.

MR. MACKLING: Yes, Mr. Speaker. I think it's a recognized fact that we're dealing with Bill 21. If the honourable member yields to discussion of other matters other than Bill 21 I think it is a point of order that he return to the subject matter of this debate.

MR. SPEAKER: Order, please. Order, please. ORDER! I've been trying to maintain order. I've suggested this particular fact to both sides of the House, but I am in the hands of the House. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I apologize for allowing myself to be diverted by the comments from the Member for Thompson. I was attempting to deal with the subject matter of the bill that is now before us and I only want to conclude my remarks, Sir, by saying that the substance of our criticism on this side of the House has been well documented. We believe that it will not achieve what the government maintains it will achieve, that indeed it will result in increased costs to the people of this province, and instead of attempting to create the impression that they are soaking the rich for the benefit of the poor, what they are doing in effect is making it more difficult for those who are at or near the poverty line by the increasing of cost to those people.

Sir, it's typical of honourable gentlemen opposite that they try to convince people that by soaking the manufacturers in this country that they do not affect the working people or the people who are living at the poverty line. We know better; they should know better and they should stop trying to fool the people of this province with that kind of nonsense.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Would the honourable member who just completed his remarks permit a question? In the course of the honourable member's remarks he indicated that he was now paying more for less coverage. Would the honourable member be prepared to submit his policy to the scrutiny of myself?

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: . . . asked me to answer the question and now we get that goon squad in the back row coming to the defence of the awkward squad in the front row. The Minister of Municipal Affairs asked me if I would be prepared to submit my insurance policy. Sir, I submitted my insurance to the government once and I got stung; I don't want to do that again. I'll wind up by paying more money when he gets through with it because I know what he thinks of me and I know what he'd like to do to me. No, Sir.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I would just like to make a few comments arising out of those that we've just heard from the Honourable Member for Morris. I'm indeed -- and I would just like to make one comment -- indeed very disappointed in the Honourable Member for Morris because he and his friends often participate in this frequent repeated claim that when it comes to insurance that they are paying more for less coverage. His reaction is so typical, so typical of so many like him that refuse to permit a proper evaluation.

However, I would like to simply deal with another area that the Honourable Member for Morris dealt with in the course of his argument. He dealt at considerable length at what he suggested was undue spending on the part of this government and made particular reference to an advertisement which ran in the . . .

MR. SPEAKER: Order, please. I'm again going to appeal to all members that we stay with Bill 21. I'm not referring to what was said by anyone else before. The rules are cogent enough that we stay within the rules. Bill 21 is the message before us. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: No -- I'm prepared to let the matter go to a vote, Mr. Speaker. I wanted to deal with the questions raised by the honourable member but if I'm not able to do so then . . .

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, before we allow this bill to go to a final vote I would like to make a few comments myself before it becomes law.

Bill 21 is a bill to amend The Revenue Tax Act, The Tobacco Tax Act and The Amusements Act, and many things have been said over the last week and better than a week as to the various implications that it will have and the arguments have gone forth as to what it will do, what it may do in respect to development in this province and to what extent it might curtail activities both in the private and the public sector, although I imagine as far as the public sector is concerned this has been already established by government in its program that they have outlined for this session or for this year. But when you take a look at the private and public investment in "Canada Outlook" for 1972 which is put out by the Department of Industry, Trade and Commerce and the Honourable Jean Luc Pepin, Minister of Industry and Trade and Commerce at Ottawa and look at the investment tables for the Province of Manitoba, Saskatchewan, Alberta and B. C. you find something that is quite interesting. For instance, the capital expenditures for machine equipment . . .

MR. SPEAKER: Order, please. I wonder if the honourable gentleman, too, would address himself a little more closely to Bill 21.

MR. FROESE: Well I'm talking of the Bill 21. Naturally this is the tax that we will be imposing on equipment and therefore when we look at the outlook as to 1972 as what is to happen I think we already have a reflection in this Outlook that Manitoba isn't doing so well. In fact when you look at Manitoba, the amount spent on capital machine and equipment for 1970 was 81.4 million, Saskatchewan 130.3 million, Alberta 227 million and B. C. 179 million, we are way way low behind the others. Even Saskatchewan is almost double that of Manitoba for 1970. But then take the figure for 1972 and it is quoted here for Manitoba as 90.7 million; for Saskatchewan 167 million; Alberta 260 million and B. C. 185.6 million. Again way below Saskatchewan. And how come when Saskatchewan's population is more along the line of ours that we should be that far behind?

Take construction. Construction is also listed in the same manual. We find that as far as construction is concerned -- and I can give you the 1970 figures -- 71 and 72 are the figures that are quoted in here. For Manitoba the 1970 figure was 66 million; for Saskatchewan 77.3; Alberta 462 million, and B. C. 294 million. We're way down the ladder again. And if I give you the 72 figures which is the contemplated expenditure for this year in construction, it says Manitoba 55.1 million. It's down 11 million from 1970. Saskatchewan 71.6 million; Alberta 455 million. Their population is about twice ours yet they have about nine times the amount of capital going into construction in Alberta than what we get in Manitoba. A 900 per cent increase over Manitoba's. B. C.'s is 353.9 million. This is construction. Then we take a look at capital and repair expenditures, which is the combined figure and we will be taxing capital and here I can give you the . . .

MR. SPEAKER: Order, please. The hour being 5:30, I'm leaving the Chair to return at 8:00 o'clock.