

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 5, 1974

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MR. CHAIRMAN: The Honourable Minister of Agriculture. The Honourable Minister had 24 minutes.

MR. USKIW: Well, Mr. Chairman, it's not my intention to deny my honourable friend an opportunity to participate. I just want to complete my remarks for the moment and in particular, Mr. Chairman, I want to respond to the two questions that were put to me by the Member for Ste. Rose, one having to do with the position of the Government of Manitoba on DES and American cattle exports to Canada, and in that connection I should like to advise the members opposite that-- and indeed the Member for Ste. Rose--that the four Premiers agreed when they met very recently to ask the Federal Government to ban imports of cattle.

And on the question of forage production on Crown lands, Mr. Chairman, I should like to respond by advising members that we are making provisions in the current budget for the development of Crown lands wherein the Crown would undertake those development costs and allow for recovery through the rental system, subsequent rental system, or rental fees, or the option would be available for a lessee to absorb those costs and a consideration for a period of time would be given to amortize those costs. So those two positions will be open to -- or within our new forage program involving Crown lands.

MR. CHAIRMAN: The Honourable . . .

MR. EINARSON: Mr. Chairman--oh, I'm sorry. I'd just like to ask one question. When the Minister was talking about the subject of Crown lands being leased to farmers, I'd like to ask him, farmers who have leased land in the past number of years, made improvements on it, for various reasons are no longer leasing this land, are they going to be reimbursed for the improvements they made on this Crown land?

MR. USKIW: Mr. Chairman, where the province is assuming control again of those leases or those lands, we are prepared to compensate for improvements, identified improvements, Mr. Chairman, so that the land does indeed revert to the Crown for re-allocation, but we also are prepared to purchase improvements, and those new lessees that will take those lands subsequently would have to bear the rental rates that would take care of the costs.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman, Mr. Chairman, I have some good news and some bad news for the Minister of Agriculture. He may wish to indicate which he wants first. His failure to do so, I will give him the good news first and that is simply that I on one of these rare occasions find myself having to congratulate the Minister because of his influence, which I would hope that he has had on his First Minister, in bringing to bear the necessary pressure that subsequently resulted in the announcement that the Minister just made with respect to the concern that the Canadian cattle industry has about the present injustice of American cattle coming into the Canadian market when we have the American cattle grower being penalized because of certain restrictions with respect to feeding practices, namely the addition of DES.

Now, Mr. Chairman, let me make it very plain that I don't normally make this kind of a statement because I support the intervention of government in trade, particularly not in the cattle industry, but I have to recognize that the problem was initially created by governments -- by governments. We have taken a position that has put a certain restriction on cattle feeders in this country, a prohibition that prevents them from maximizing their gains. We took that action more or less in concert with our American cousins as they were doing a similar thing. The Americans have now removed that restriction and unless we remove the restriction likewise, then at least for the time being this imbalance, this injustice is there, and I think the approach taken by the four western Premiers is the correct one, and that is the good news that I have for the Minister of Agriculture.

Alas, that is the only good news that I have for the Minister of Agriculture. Mr. Chairman, really I want to deal in a few moments with some of the remarks made by that other great agricultural expert in the New Democratic Party, namely the Minister of Finance, who had some remarks to make with respect to the Minister's salary and his deserving of the same, and I'll deal with that shortly. However, I do want to recapitulate very briefly some of my concerns with the Minister of Agriculture. I couldn't help but note, you know, how the big wheel turns. He has, and as have other members of that government from time to time but particularly the Minister of Agriculture, have liked to hold up the TED report to us as being

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(MR. ENNS cont'd) . . . . a sensitive document, a document that somehow paints us in the worst of all possible pictures; a document that he says was part of our administration, which of course it never was, but nonetheless that something that we were forever married to. Well then, Mr. Chairman, with some pleasure let me remind the Honourable Minister what he said about this dastardly document just a few years ago - April 8, 1969, to be exact - on page 1093, and he is speaking to me, Mr. Chairman. No, Pardon me. He's speaking, I think, to my colleague the Minister of Agriculture, now the Member from Reston, when he says--Arthur, pardon me-- and this is the now Minister of Agriculture speaking who hates the TED Report:

"One of the things that I want to draw to the Minister's attention is the fact that we do have the TED Report. I hope that this report isn't going to be one of those documents, Mr. Chairman, that is simply going to be placed on a shelf to collect dust forever, Mr. Chairman, as many reports do. I hope that government takes full recognition of some of the recommendations, and if not, if anything else, at least undertake some studies and some research into the feasibility of implementing some of the things that are suggested in the report."

Now, Mr. Chairman, those were the sentiments expressed by the Minister of Agriculture with respect to the TED Report. Now that's past history, let's leave it be, but just don't lecture us, Mr. Minister, about a report that was written for government, as many reports are written for this government, that many aspects of those reports are not accepted, they're taken for exactly what they were commissioned for - an examination of an examination, an in-depth examination by various experts in various fields and -- I'll yield to the question.

MR. GREEN: Mr. Chairman, the Honourable Minister will permit a question, and I would ask him whether he considers just as true about what he said about reports concerning the TED Report that they may not reflect the government position, that that would be doubly true of draft papers which were prepared by civil servants for the preparation of such reports which have been identified by some of his colleagues as representing government policy.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, there is of course some difference as to who prepares the kind of drafts that he's talking about, if these drafts are prepared by Cabinet committees or if they are being prepared by outside experts that have been asked to do a job, you know. So, Mr. Chairman, there is a deliberate attempt again to prevent me from coming to the genesis of the few remarks that I wish to make. Oh, and he could not resist, Mr. Chairman, having taken to perusing of Hansard latterly, to find out just how fixed and firm some of the positions of my honourable friend the Minister of Agriculture really are. Now, Mr. Chairman, I would ask the Minister of Agriculture to take heed of the comments made by this House Leader, and the acquisition of the comments at least in quiet acquisition of the First Minister, that reports do not necessarily reflect a position of a government at any time. They have been commissioned for a specific purpose, that for obtaining information, and for the government then to draw its own conclusions thereof and to act upon them. And I just would have hoped, Mr. First Minister, that you would have been in your place and could have at least telegraphed, mentally or otherwise, those impressions to your Minister of Agriculture before he chose to supplant the TED Report and prophetic outlook of things to come or things not to come, as being that of actual former administration policy, which he did a half or a short few hours ago in this Chamber.

A MEMBER: He tried that January 30th. He tried that January 30th.

MR. ENNS: Now, Mr. Chairman, there is of course, you know, a far more serious problem that I won't attempt to belabour once again in this Chamber, because, Mr. Chairman, I do believe that the Minister of Agriculture is a very sincere man. I believe that he believes with a great deal of depth most everything that he tells us in this House. What is frightening to us, Mr. Chairman, is that it has been patently obvious to the most casual observer that there is a very major flaw in the makeup of this Minister and that is simply this; that he believes that his interpretation of facts represents the only and absolute truth. Mr. Chairman, I'm prepared at any time to accede that his interpretation of the facts may be as good as mine or as good as anybody else's, but the frightening part of the Minister's portrayal in the last three or four days has been his utter conviction, notwithstanding all kinds of conflicting evidence. In the one instance he seeks a majority support for his position and demonstrates that as his basis of support. On the other hand, he can reject a majority opinion and accept the true opinion as expressed to him by one or two executives of an organization as reflecting

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(MR. ENNS cont'd) . . . the true feeling and true meaning of what is fact and what is not. This Minister needs nothing but his own conviction to believe that his interpretation of facts are right, and he feels that that entitles him to dipping into the public purse to further that concept by means of advertisements for whatever cause he chooses to espouse.

Mr. Chairman, I want to tell you that the Minister has chosen to belabour us; indeed it was my job to bring him to some semblance of straightforwardness when he accused us repeatedly of practicing the big lie, and of individual members lying in this Chamber. I remind the Honourable Minister that I have not once, I have twice, I have three times asked him very specific questions as to when and where I have attacked the orderly marketing concept on the basis that he has proposed that I have done so and, Mr. Chairman, I am led to believe that the Minister's complete refusal, complete inability to do so, tells me and will tell the members of the farm community that that position that the Minister takes is not a supportable one, is not a supportable one.

Now, Mr. Speaker, the members of the farm community aren't satisfied with the kind of response that we've had from the Minister in dealing with his estimates in this year; if they had some doubts about some of the positions that we put forward during this last election those doubts are completely removed from here on forth. Mr. Speaker, we have expressed, and perhaps sometimes with some additional enthusiasm about where we think some of these programs lead to, nothing that the Minister has said has detracted from this. Mr. Speaker, we have heard this Minister get up inordinate numbers of times and take up his whole 20-30 minutes of time in defense of his land-lease program but, Mr. Speaker, have we once heard him say that he considers it a reasonably essential element in the preservation of the independent family farm, that that family farm be owned by that farmer? Not once. Not once. Not once, Mr. Speaker.

A MEMBER: You're on track, Harry.

MR. ENNS: I say, Mr. Speaker, that that gives us the license, the license to say with a much louder voice than we've ever said before that this government wants to own all lands in this province, this government intends to put the big burly arms of socialism not only around this building but on the individual family farms of this province, and we can say that and I can look any person across the aisle in their eyes and say that with a degree of truth, that I could not even have said during the course of the last election. Because, Mr. Speaker, this Minister - and we have now spent upwards to 20 hours on this Minister's salary - or 10 - we have had this discussion you know, we've gone around the bend on this one three or four times, the Minister has justified his program, the Minister has justified his program but only on one basis only, that is to keep Manitobans or keep rural people on the farm. That's a noble sentiment and most of us agree with that. That's a noble sentiment and most of us agree with it. He has not entertained any other suggestions from this side. He has told us that the Manitoba Credit Corporation has a refusal rate of upwards to 40 - 50 percent, young farmers applying for land or to get back into farming or wanting to come into farming, he has not addressed himself to the problems of perhaps that it's the exorbitant high interest rate, or perhaps it was a matter of giving some policy direction to the Directors of Manitoba Credit Corporation to alleviate some of these problems. No, his only answer has been to hold out the carrot of saying, lookit we will resolve the capital problems of the farmers of today. Let us take over the ownership of your land with the option to purchase after five years. And I will ask, I will ask, I've asked the question - I asked how many will have taken up the option after five years and you will shrug your shoulders and say, but that was their option, that was their option. My purpose here is to point out that unchecked, this program - and I asked that question to the Minister of Agriculture, he has refused to answer - what kind of goals are we heading for, what are the sociological implications of five years from now, ten years from now, knowing the constant capital shortage problems that farmers have, what significant sociological changes do we have in our rural structure when five or ten or fifteen years of this program going unchecked, 60, 70 or 80 percent of what now are the individually privately owned family farms are indeed controlled by the state.

That question - you know I've not attempted to - I have not attempted to enter into the debates about arguing whether some ag rep is doing his job or not, I believe that most of them are. I believe that 99 percent of the Department of Agriculture's programs are sound and they're good and they're being carried out. I think our job in this Chamber, Mr. Chairman,

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(MR. ENNS cont'd) . . . I think our job in this Chamber is though to try to debate essential policy direction that one group or another group advocates from time to time. I have asked these questions, I have suggested that this government has embarked on a course that they have not bothered to research, not bothered to worry about where it leads them to. I have also suggested, Mr. Chairman, that they do not particularly care because it happens to be along a particular bent that they are well satisfied with. --(Interjection)-- Well, Mr. Chairman, don't let the Minister of Agriculture parrot to me the question of freedom of choice because, Mr. Chairman, there are many choices, there are indeed many choices; you know one of the choices may be a thorough looking at how we can - to what extent can the public purse support, just as we are now talking about the public purse supporting the purchasing of land, to what extent can the public purse support subsidization of interest rates to help the young farmer? --(Interjection)-- Well you're obviously not doing enough you're obviously not doing enough. To what extent, to what extent --(Interjection)-- Well, Mr. Chairman, you know, let's be honest. At the time that I purchased my farm as a youngster coming out of the city going into the country to purchase a farm I was able to purchase it at four percent interest rate. Now what does your young farmer under your administration purchase it at today? That was under a Conservative administration.

MR. USKIW: Would my honourable friend yield to a question?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Is it not true that you yourself leased land from the Crown?

MR. ENNS: I agree.

MR. USKIW: Well all right.

MR. ENNS: What's wrong with that? Certainly I leased land, I bought 2,000 acres and I leased 2,000 acres.

A MEMBER: He paid for it too.

A MEMBER: What's wrong with it?

MR. ENNS: Well I'll tell you a great deal what's wrong with it. Because one of the problems that I have to worry about, in fact one of the things that will keep me in politics is that I will work very hard to see that I may be part of an administration, so that I can have security of tenure on those 2,000 acres of leased land that I do not now have, that I do not now have, I will see to it that I am part of an administration that those kind of Crown lands can be put back into private ownership. Because the kind of political nonsense that's going on now - I have been harassed by members of his department, I have been harassed by members of his department that tell me that if my lease payment isn't in - I've been phoned, I've been harassed by members of his department if my lease payment isn't in on the day that I won't have that lease any more. --(Interjection)-- Yes. Now I can expect that you see. No, I can expect that. I don't expect to have the privilege of that leased land very much longer under this administration.

MR. SCHREYER: On a point of privilege, Mr. Chairman,

MR. CHAIRMAN: Order please.

MR. SCHREYER: Mr. Chairman, the Honourable the Member for Lakeside is now insinuating that the government of the province is taking discriminatory action relative to a member of this House and as such it does become a matter of privilege of this House. I would think, Sir, that that being so that it would be appropriate to ask the honourable member to please indicate in what manner or form there is that kind of different treatment of my honourable friend that departs from the general standard terms and criteria with which Crown lands are administered anywhere in this province?

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I'm very much prepared to impart that information to the Honourable First Minister, to the members of this House. I will ask the indulgence of the First Minister and the Minister of Agriculture to be allowed to do that in private to them if they then deem that the issue should be raised in this Chamber then I shall do so.

However, Mr. Chairman, all I'm saying is in the general tenor of the remarks that I'm making is that we have heard no remarks, no effort by this government talking about the necessity or the desirability of private ownership of land being one of the essential mainstays --(Interjection)-- No. Mr. Chairman, the First Minister says of course it is. But he hasn't been in this Chamber for the course of the ten hours that we have listened to his Minister of Agriculture. We have listened to his Minister of Agriculture on repeated occasions, his efforts

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(MR. ENNS cont'd) . . . to make sure that we have people on the farms, his efforts to make sure the stay option program works, his efforts to see that rural Manitoba is not depopulated. But he has singularly chosen not to indicate to us at any time - on not one but on half a dozen occasions - his recognition that the individual ownership of that family farm happens to be at this point in time in our society a rather important element in securing that independent stature of that farm.

Mr. Chairman, Mr. Chairman, those are the remarks that I want to make to the Minister of Agriculture in conclusion, that this aspect of his estimates - the Minister has chosen to lecture us on many fronts. I think we are well satisfied with the Minister's performance. We believe, Mr. Chairman, that the farmers, the rural people of Manitoba will take note of the Minister's performance in this particular debate on his estimates and they will draw their conclusions. They will take note, Mr. Chairman, that when my honourable colleague the Member from Rock Lake talks about a farm meeting attended by two and three hundred people that the Minister of Agriculture who was not kindly disposed to that group said he would not waste his time attending that kind of a meeting, because they didn't fit necessarily with his concept or interpretation of what he thought to be the facts in this case, in the A.I. situation.

Now, Mr. Chairman, let me deal in the moments remaining to me with my honourable friend the Honourable Minister of Finance who chose to take time of the agricultural estimates at this particular time to discuss, and to discuss I should say, Mr. Chairman, with some passion and some feeling, the kind of dastardly deed taken by the Conservative caucus in the placement of a certain ad in a rural newspaper having to do with the Mineral Taxation Act. Mr. Speaker, let me first and foremost just you know, score my two little brownie points for the Minister's edification. He asked the question, he asked the question, and I take any question that the Minister of Finance asks as being serious - did we pay for the ad? Yes, Mr. Chairman, we did pay for the ad. Unlike his colleagues and his government, when we have a particular partisan position to put forward we do pay for our own ads. We do not call upon the public purse, the taxpayers in general to pay for a partisan position. So that's clearly established.

When you see an ad that is sponsored by the Conservative Party or the Conservative caucus you can be rest assured, Mr. Minister of Finance, that the people of this province have not been asked to dig into their pockets to pay for that ad. I wish I could say the same for you, Sir, and for your government. Now that's fact No. 1 that I'm trying to answer in his question.

Secondly, Mr. Speaker, the Minister speaks about the integrity, the integrity of the Conservative caucus in this particular matter, in this particular matter and I should like to answer him. I should like to answer him about the integrity that he displayed to us in this particular matter. Mr. Chairman, I'm attempting to at least make myself heard to you, not to anybody else, . . .

MR. CHAIRMAN: ORDER PLEASE!

MR. ENNS: It's a long-standing tradition . . .

MR. CHAIRMAN: If the Honourable Member for Radisson wants to be recognized I'll recognize him after the Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman, Mr. Chairman, it's a long-standing tradition in legislative chambers such as this - indeed throughout the parliamentary system, that when discussing or introducing bills, particularly major bills, taxation bills, that the major matters of concern, the principles of the bill are discussed at second reading; the Minister explains, members of the opposition ask their questions. We are in fact by our rules, Sir, precluded from asking details about the bill; we are commanded by our rules, Sir, to discuss the broad basic principles of that bill. Now, Mr. Speaker, among the broad basic principles of that bill were of course the assurances given to us by the Minister of Finance that the tax would be on mineral rights held by corporations not by individuals. An internal study made, the Minister went on to say that that occasion, by the government, has shown that about three-quarters of the mineral rights, some 9.1 million acres, are held by individuals and it is not proposed to tax these at all. The word is "individuals". I can recall, and I go from memory of that occasion, that then the discussion started to talk about redefining the word "individual" and we started - somebody else, I believe it was the Member from Rhineland, it was the Member from Rhineland that started raising the question about the farmers, and then the question got further involved into individual farmers and then it called for a definition of individual farmers. But, Mr. Chairman, I am far ahead of myself. I want to say that the Minister of Finance cannot

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(MR. ENNS cont'd) . . . sit in his chair and tell me or any members on this side of the House that the impression conveyed by the Conservative Party was a very clear one and one that called and accepted at face value the integrity of the Minister and the Minister's own words when he said that individuals were not to come under this taxation measure.

Now, Mr. Chairman, let me digress for a few moments. Let me tell you, for instance, for a few moments why--well, Mr. Chairman, you know, unfortunately we in the Progressive Conservative Party, we you know, despite the public opinion, do represent and in fact are in fact the working people of Manitoba. We have not got the illustrious front bench that they have there - lawyers, university professors, school teachers and something like that. Most of us come off the farms of Manitoba, out of small businesses, and we, Sir, are not the first ones to be duped by smooth-talking lawyers. That's, Mr. Chairman, that's why we passed half the consumer protection legislation in these Legislatures, is to protect us from that kind of you know, from the kind of legal double talk that the legal fraternity can and has practised in business all too often. That's why we have a Minister of Consumer and Corporate Affairs in many instances.

Mr. Chairman, let me make it very clear, I am satisfied, without any compromise of my principles and I know the Minister may question whether I have any principles--the Minister says I have no problems in that regard. Well, Mr. Chairman, that being the case, then let me go one step further. He suggested to us last night that in addition he has already indicated his government's and his preparation to reconsider some of the ramifications of the bill and to take a second look at the application of this tax. Well now, Mr. Speaker, his press release, you know - it's dated February 1st - informed the people of Manitoba that the interest on late payments on the provincial New Mineral Acreage Tax will be waived until February 28th. We are now past that date February 28th, and the bottom of his release says, "Persons who know they own mineral rights and wish to keep them and have not received a tax notice, are advised to contact the Department of Finance as failure to do so will ultimately result in these reverting to the Crown."

Now, Mr. Speaker, I thought, unless my ears deceived me, that even as late as last night he was suggesting to us that he was open and his department and his government was open to some reconsideration of this measure. Well, Mr. Chairman, this notice is explicit, that as of today - as of today - people are losing their mineral rights and this Minister stands up and tells us but not to take that seriously, we are prepared to consider it.

A MEMBER: How can you believe it?

MR. ENNS: We are prepared to consider it. Now, Mr. Chairman, I only point out, I only point out, Mr. Chairman, and let me point out one or two more things because my time is rapidly coming to an end. This being a tax bill, firstly, we accommodated this Minister, we accommodated this Minister in rushing through this bill. Yes we did. Yes we did. Secondly this bill was introduced, as a majority of the legislation introduced by this government, under speed-up. Now this indicates the abuse that this government has made of speed-up. This is one of the reasons, for instance, why we have no intention of even considering letting Bill 7 get past second reading on us. Yes we were too blunt, we were caught asleep once, we will not be caught asleep again.

Now, Mr. Chairman, I'll make a deal with the Minister of Finance right now, standing on my feet, without having caucused it with my leader, without having caucused it with my party, but I'll make a deal with him right now because I know they will support me in this instance.

MR. CHAIRMAN: Order please.

MR. ENNS: Mr. Chairman, I ask leave but for a minute to at least complete . . .

MR. CHAIRMAN: Does the honourable member have leave? (Agreed) The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I would ask the Honourable Minister of Finance to revert back to his position of principle on second reading of that bill, which is, namely, that the tax would be on mineral rights held by corporations and not by individuals. Mr. Chairman, if the Minister is prepared to bring in the necessary amendments to take away this deadline and to bring back to that position, we will run another ad next week in the paper and we will pay for it again, we will apologize for the last ad and say that we were caught asleep on the last time around.

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(MR. ENNS cont'd)

Now I ask the Minister, I ask the Minister --(Interjection)-- Well, no, you made a proposition to us yesterday.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: If the member is prepared to tell the truth as he sees it that they were duped, why does he have to make a deal? If he wants to tell the truth he can do it, can he not?

MR. ENNS: Mr. Chairman, don't think there is any question in the minds of any members opposite of the intent of the Progressive Conservative caucus at the time that bill was passed, that was not to tax individuals. Well now, fine, I won't argue the point; my time is up and I realize I am at the indulgence of the House, but Mr. Chairman, don't think and don't expect any apology, any apology or any feeling of compromising of principles for the position we have taken with respect to that Mineral Taxation Act. This government has rammed down legislation after legislation in the dying hours of sessions. They have kept us here till 5:00 and 6:00 o'clock in the morning, ramming through legislation. They have brought through most of the legislative program after speed-up, and we, Sir, as the opposition, we worked under the obligation of a critical press, of a critical population that often misunderstands the role of the opposition. We, Sir, are told to stop obstructing. Let the government govern. Let the government govern and stop your bickering and stop your talking. That is the continual yoke that the opposition works under. Sir, we relaxed for an instant and we are paying that price for it right now. We are paying that price for it right now, and I'm being open and I'm admitting to it but, Sir, that does not change my principles on a position of matter. Not at all.

Now, Mr. Chairman, I'm asking the Minister of Finance, I'm asking the Minister of Finance if he as late as yesterday evening in this Chamber could stand up and say that this matter is still under active consideration --(Interjection)-- Well, I'm dealing with a smooth talking Philadelphia lawyer, Mr. Chairman. I was taken by him once - I won't be taken by him again. I won't be taken by him again. No I won't be taken by him again and that's why I'll be more diligent in the future. But that is our position, Mr. Chairman, on this matter, and that position will remain that way. We believe that this is nothing but a covert attempt by the government to assume unto itself further aspects of what up to now has been in the private domain. They are doing it to individuals, they are doing it to municipalities, they are doing it to widows, they are doing it to farmers, and that, Sir, was not, was not the intent, the principal intent as enunciated by the Minister when he introduced this bill.

Mr. Chairman, the Minister has made remarks about my own particular acclamation with respect to his action in introducing this bill. I do not and have not stood up on any previous occasion to attempt to explain them or defend them. I recognize that they will be immediately attacked as a cop-out on my part. I remember the situation distinctly and clearly. The laudatory and congratulatory remarks that I made with respect to this bill were with reference to the procedure and the mechanics only, that the Minister adopted in this particular case. --(Interjection)-- That is right. That is right, and we admit to our laxity, we admit to our laxity in this. We admit that we were hornswoggled, Sir. We admit we were hornswoggled.

Mr. Chairman, I thank the honourable Chair and the House for having allowed me to extend by a few moments my remarks. I can only indicate to you, Mr. Chairman, that this has taught us a lesson; that we are not serving the interests of our constituents and the public of Manitoba if we at one time, if at any time we negate our instinct to do what we are sent to do - to examine, to probe and to oppose, and Sir, we will do that in a fashion and in a manner that they have yet to experience in the coming years.

MR. CHAIRMAN: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Well, Mr. Speaker, I would like to try to see whether I can bring some realism to the discussion and to try to go back to the occasion when the bill was passed, because Mr. Speaker, different people's memories tell them different things, but I think that if we can proceed from a point that the Honourable the Member for Lakeside started from today, I think that I can re-enact exactly what occurred and convince the honourable member that he isn't as much of a dupe as he says he is, that he's a very astute fellow, and my experience, Mr. Chairman, with the rural people in this province as well as the workers in this province, is that they are no less astute than the lawyers in this province and the professors in this province; that they are very intelligent people; that they do not have things put over on them -

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(MR. GREEN cont'd) . . . and least of all does the Member for Lakeside have thing put over on him. So let me say, Mr. Speaker, that the honourable member is much too modest, accepts far too much blame, and really does not wish to go back to the incident and recall what has occurred.

Now, Mr. Speaker, the honourable member says that these things were done in rush circumstances and that people were pushed hard, and that the Opposition is under continual admonition by the press that they are blocking the legislation, that they are harassing the government or words to that effect - I can't remember his exact words. Mr. Speaker, I'm sitting here as a member of the government, thinking of the last four years of press, and I would like the honourable member to produce to me, I want to give him a challenge - maybe it will not occur - what editorial comment in the Winnipeg Free Press or in the Winnipeg Tribune to the effect that the opposition in this Legislature was harassing or blocking or stopping the government from enacting its legislation? I would like to see one editorial comment, because I used to feel that that's what the press said about the opposition and I remember it being said when we were in opposition. I'm not certain that I'm right and as a matter of fact I could be wrong, and if the honourable member is correct and will show me a Free Press or Winnipeg Tribune editorial comment to the effect that the opposition in our House was obstructing, well it will redeem to some extent my attitude as to perhaps what is the politics of our particular press in the province of Manitoba. And mind you, I am not criticising. I believe that if I ran a newspaper, if I was the publisher and I owned it, knowing my sympathies a little bit, I think it would be sort of against the Liberals and the Conservatives, and I am not criticising. Mr. Speaker, I believe that R. S. Malone and I believe that the publisher of the Winnipeg Tribune, Mr. Williams I believe it is - I'm sorry if I haven't got the name correctly, but I believe that they are legitimately, philosophically not in tune with what this government professes to want to do, and that generally one could expect critical editorial comment from those two newspapers and I do not fault that at all. I say that that is the role of the press. And if I'm wrong about the obstructionist comments then I will, I say, be somewhat shown to be wrong about what my notion is vis-a-vis the press in Manitoba. However, that's a challenge that I put to the honourable member.

Now, Mr. Chairman, I want to go back to the point where the honourable member said, go back to the bill; go back to the words used by the Finance Minister on second reading that this tax will apply only to corporations, it will not apply to individuals. And that's the position that the honourable member wants to start from, so let's start from there and pretend that we are in second reading on the bill and I ask the honourable member to recall, is this not what then happened? That some people said, I amongst them: Well, look. Separating between corporations and individuals is not a legitimate thing to do because there are many farmers in Manitoba who have incorporated their farms, and they've done it in my office, they've done it in the area of the honourable member for Rock Lake, they've done it in the area of the member for Morris, they've done it in many, many areas, so if we started from the point that the Honourable Member for Lakeside wanted to start, that we would tax only corporations, would there not be the same protest that was made three years ago from members on that side of the House - quite properly - and this is how it happened. No, you can't separate corporations and individuals. You have to make it, rather, people who are farming and not farming, and if a corporation is farming it should not have the tax paid, and if an individual is not farming he should pay the tax, because there are many individuals who own mineral rights who are not farming and if you are trying to protect farmers, don't say you are protecting individuals, protect farmers. That's what the Minister of Finance was told, and Mr. Speaker, if we only keep talking we will all remember it because we all participated, that members on that side - and if we started today and the Minister wanted to change the law to what it was on second reading, and said, "We are going to tax corporations, it will not apply to individuals" - the Leader of the Liberal Party, the Member for Lakeside, the Member for Birtle-Russell would say, "It's not good enough. There are farmers in my area who have incorporated their farms. You have to exempt farmers; don't exempt corporations. Mr. Speaker. . .

MR. ENNS: . . . just one short question before he - I agree with him, if we only keep on talking we'll all remember all that was said, but we started off with the question of exempting individuals and they removed . . . I remember that too.

MR. GREEN: I agree that the first exemption was to tax corporations and exempt individuals, and if the Minister of Finance was to introduce that legislation today we would go



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(MR. GREEN cont'd) . . . through the same motions. If he was to say we'll tax corporations and exempt individuals, people would say, "That's no good. There are corporate farmers and we have to exempt those, so let's forget about whether they are individuals or corporations. That is irrelevant. Let's exempt farmers." So then the Minister of Finance said okay, we'll exempt farmers and we will not exempt individuals. If an individual is not farming, if an individual is not farming, and Mr. Speaker, I can remember the words that were used, and if I speak a little longer the Honourable Member for Lakeside will remember and then he won't have to classify himself as being duped because he wasn't duped, he came to a sensible conclusion. Because what we said and what members of the opposition said, as long as you exempt everybody who is farming their land then you will be left with people who are holding mineral rights, not because they are on land which they are using but because they intend to try to speculate on the mineral rights. And the word speculate wasn't used in a bad sense, it was used in the sense that if somebody owns mineral rights with which he was doing nothing and on land in which he was not farming that it would be a person who was hoping that some day those mineral rights would have some value, and that person would be a person who was therefore hoping to obtain the value of those mineral rights. And, Mr. Speaker, members on that side as well as members on this side then said, if a person is holding mineral rights for the purpose of hoping some day that they will be of value, then they should pay the 10 per cent per acre tax on those mineral rights - ten cents per acre tax on those mineral rights. That the holding of that mineral right for the purpose, for no other purpose, than hoping that they accrue in value to a person who was sort of making a kind of commitment in that regard - you know, I'm using as easy words as I can because I don't see anything wrong with it.

A MEMBER: Tell it to the widow who holds . . .

MR. GREEN: Mr. Speaker, the Honourable the Member for Portage, you know, will try to now deal with the violence and the real difficult case. He says, Mr. Speaker, tell it to the widow who holds the mineral rights. Now I want to know, Mr. Speaker, I want to know, I want to know, supposing it was a widower would it make a big deal of difference? Supposing that widow had a million dollars in the bank, would that make a difference? Mr. Speaker, the honourable member wants to use the term, the honourable member wants to use the term "widow" as portraying some dear old lady who has been divested of everything and is sitting in poverty hoping for the day when those mineral rights become of some value. Well, Mr. Speaker, what . . .

A MEMBER: What's wrong with that?

MR. GREEN: I didn't say anything was wrong with it. But what --(Interjection)-- Mr. Speaker, not according to the law that you passed. And by the way I think -- Mr. Speaker. --(Interjection)-- Okay, I suggest to you, Mr. Speaker, that the law that I passed and which I am recalling, which I take responsibility for passing, which I happen to think is a good law, and you can quote me on it and you can quote me on it and you can put that into your advertisement and say that Sid Green says that anybody who wishes to retain mineral rights while not using land should pay the 10 cent per acre tax which was established in the Province of Alberta long before it was established in the Province of Manitoba, which was established in the Province of Saskatchewan long before it was established in the Province of Manitoba and all we are saying is if they want to bet on those mineral rights some day accruing a value, and they happen to have 320 acres of mineral rights, they like every citizen in the Province of Manitoba --which by the way they don't pay because I was astounded to hear, Mr. Speaker, that if a person holds mineral rights which is value in land, they pay no municipal assessment if that's all they hold. That they are the only holders of real property who are not taxed at all. --(Interjection)-- Well, Mr. Speaker, they are not taxed at all and the honourable member says that a person in Manitoba who is not using the land can retain that mineral rights to themselves to the exclusion of all others in perpetuity, without paying anything to the public whose ultimate ownership those mineral rights belong to. Well --(Interjection)-- but they're not paying any taxes, they're not paying any taxes on the mineral rights if that's all they hold. There is no municipal assessment on mineral rights.

A MEMBER: There's no revenue either.

MR. GREEN: Well, Mr. Speaker, if there is no revenue, you know, if there is no revenue, if they are of no value, if they are of no value which the Member for Rock Lake seems to suggest, then the fact, then the fact that they would not be owned by the person . . .

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(MR. GREEN cont'd) . . . would not be a penalty to them. However, I'm not going to concede that, I'm going to say that some day they may find oil on those rights and on that basis they are speculating for the day that oil will be there and they are asked to pay 10 cents an acre for that speculation. --(Interjection)-- Well okay, okay . . .

MR. CHAIRMAN: Order, please. Order. Order please. Order please.

MR. GREEN: Mr. Chairman, I am not now asking honourable members to agree or disagree with this law because I can see, I can see, Mr. Chairman, that they will not listen to reason on this question. They think that they have got an issue and that they are hot to trot. I am not worried about the issue, I think that what the province has done is right. I accept full responsibility as a member of this government for the passing of that law; I will not blame it on the opposition because I think it's a good law.

Now, the only thing that I tried to do, Mr. Speaker, the only thing that I tried to do is to convince the Member for Lakeside that neither he nor his rural colleagues who I have a great deal of respect for are nearly as stupid as he would say that they are. That I have recalled the process, that I have said that that was the process that took place, that the reasoning of all members of the Legislature was - don't talk about corporations or talk about individuals, talk about whether they are farmers or whether they are not farmers. If they are farmers exempt them and if they are not farming the land, they are holding mineral rights in the hope of a future gain, tax them. That was said by every member in this House. They did not say it because they were duped, they did not say it because somebody put something over on them, they said it because they thought it was good. Then somebody - Mr. Speaker, I remember the conversations from different members. I remember members sitting in Committee saying that if the farmer is not farming his land he is speculating on the future of those minerals, he should pay a tax like anybody else. --(Interjection)--

Mr. Chairman, I remember that being said by members in this House. I will not, Mr. Chairman, I will not claim to have the memory to say which individual said it, and if that is a fault that I cannot recall, then all I'm asking the Member for Lakeside and other members who are trying to convince the world that they are stupid while I am trying to convince the world that they are intelligent, that they really recall, that they merely recall what occurred, that this was the logic. Don't make the distinction between corporations and individuals; make the distinction between farmers and not farmers. If they are farmers they should be exempt. If they are not farming the land on which the mineral rights are held, they are hoping for a future gain in mineral rights and they should pay the same tax as anybody else.

That was the logic, Mr. Chairman, that was what was accepted. And then, Mr. Speaker, when the tax went into existence, as is the case - well you know I think that they have raised - what is the price in Saskatchewan? - because my recollection is that the good right-winger who people in this Legislature loved to talk about when he was still in power, and God Bless him he passed away - Thatcher said that this was such a good thing that he had to increase it from 10 cents an acre to a much higher rate and I don't remember the rate. --(Interjection)-- Well, you know, whether Thatcher was or was not a New Democratic I know that honourable members in the Conservative Party looked to Ross Thatcher as being a real force for conservatism in western Canada after he changed his stripes.

I'm not trying to convince the honourable members that they should let go of this issue I think that they think that there are a lot of people--you know the Member for Lakeside knows differently. The Member for Lakeside he lives in a constituency where nobody has really bothered him about this mineral tax issue or very few people. You know why? You know why? Well who can I pick on? - from the Member for Rock Lake - because in your constituency they got their titles before a certain date. In the Member for Lakeside's constituency they got it after that date and a whole slough of farmers in Manitoba don't know that there is a difference between them and farmers in southern Manitoba merely because of the date of the granting of title and they don't have mineral rights, and therefore the Member for Lakeside got very few letters. But the Member for the Conservative Party -- you got what?

A MEMBER: I doubt it.

MR. GREEN: . . . well I can tell you that the Members of the Conservative party who think that this is a dandy issue, that they are hot to trot, that they're gonna put it in the paper and make ads, I say go ahead. Go ahead. --(Interjection)-- Oh! Mr. Chairman, the Minister of Finance didn't say that they shouldn't advertise their position. The Minister of

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(MR. GREEN cont'd) . . . Finance said one thing and I ask the Honourable Member for Swan River to listen. The advertisement has been based on the fact that the Minister of Finance on second reading said the bill would apply to corporations and not to individuals. When he said it, it was true. That's what the bill said. Why would you print that as a lie? That's all the Minister of Finance is asking. And if you have to advertise, if you have to advertise--and I really think that this is his question, I think that he is a little bit bothered personally. I think the Minister of Finance, you know, is a man who prefers that people respect his integrity, etc. I lost that kind of sensitivity a long time ago. I don't mind when people yell at me and call me names, but I think that the Minister of Finance really feels a little bit hurt. But this is what I understood him to say. If you want to advertise and if you have to advertise --(Interjection)--

MR. CHAIRMAN: Order, please. The hour being 9 o'clock . . .

MR. GREEN: I'd just like to finish my sentence, Mr. Speaker. Just a sentence. All I heard the Minister of Finance say was that if you have to advertise, that is the way you wish to make use of the issue, which is your right, and you are forced to resort in your advertisement to saying that the truth is a lie - that the truth is a lie, because that is what your ad says, then you must have an awfully terrible position that you are trying to advertise.

MR. CHAIRMAN: The hour being 9 o'clock, Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of Supply has directed me to report progress and asks leave to sit again.

IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson, that the report of the Committee be received.

MOTION presented and carried.

. . . . continued on next page

PRIVATE MEMBERS' HOUR - RESOLUTION

MR. SPEAKER: Private Members' hour tonight. First item is Private Members' Resolutions. Resolution 11. The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker. . . --(Interjection)--

MR. SPEAKER: Order! Correction. I'm sorry, that's true. First item is Bill No. 22. The Honourable Member for Fort Garry. . .

MR. SHERMAN: I'd ask the indulgence of the House to have the matter stand please, Mr. Speaker.

MR. SPEAKER: Bill No. 23, the Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Stand . . .

MR. SPEAKER: Resolution No. 11. The Honourable Member for Wolseley.

RESOLUTION NO. 11

MR. ASPER: Thank you, Mr. Speaker. May I move, seconded by the Honourable Member for Portage la Prairie,

WHEREAS the price of consumer goods and services is rising at a rate which exceeds the capacity of most Manitobans to increase their income enough to even keep up with inflation; and

WHEREAS the Government of Manitoba is presently contributing to inflation by levying the five percent retail sales tax on the increasing prices, and continuing to levy the tax on even the necessities of life required by low income citizens;

NOW THEREFORE BE IT RESOLVED - and Mr. Speaker, here I beg to move with leave of the House to substitute a word. The resolution reads "that the government" and I wish with leave of the House to substitute that by saying "that the House consider the advisability of appointing a Special Committee of the Legislature to undertake an extensive review of the application and rate of the sales tax for the purpose of reducing financial hardship and the impact of inflation on Manitobans."

MR. SPEAKER: Order please. Does the honourable member have leave to amend the one word? (Agreed)

MOTION presented.

MR. SPEAKER: The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, the resolution is brief and speaks for itself. It reflects -- (Applause)-- and therefore I greet with some enthusiasm the support that obviously comes from the government benches and if I can have some indication by a twitch of the ear or a nod that they will be supporting it, then, Mr. Speaker, it requires me to go no further. However, the noise coming from the Minister of Mines and Resources indicates that the applause that greeted the resolution was just courtesy.

Mr. Speaker, I . . .

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

MR. ASPER: I was moved by the poem, chiefly narrative, by the Honourable Member from Ste. Rose this afternoon, especially as I understood it he has written that offering for this House in support of the position he was taking. Mr. Speaker, I think that he has set an example for all of us to follow.

Now, Mr. Speaker, none of us can reach back into our bag and find fourteenth century Chaucerian poetry, but, Mr. Speaker, in answer to what he proposed in his poem this afternoon and with very serious consideration and great deliberation, I would make the following offering in support of what I'm about to say. That is this: "I hate the guys who criticize and minimize the other guys whose private enterprise has made them rise above the guys who criticize and minimize the guys whose private enterprise has made them rise above --" and so on and so on. Mr. Speaker, the point I'm trying to make, Mr. Speaker, the point I'm trying to make is that we can all appeal to the bards, we can all appeal to authority to find some comfort in the resolutions we present. The one I present tonight is one in which there is accumulating, growing and, in some cases, sudden interest. The resolution is deliberately framed in non-partisan and non-specific terms. It says, let's appoint a select committee of the Legislature to look at a problem which all of us on all sides of this House know exists. I'm speaking of a tax and a profiteering from inflation.

During the general election, it's well-known that the Liberal Party went to the people on

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(MR. ASPER cont'd). . . the premise that we had a certain fiscal capacity within our grasp and it ought to be exercised in a certain way. That way was to do two things: (1) Remove the sales tax entirely from necessities; and (2) Reduce it from 5 percent to 3 percent. And that was an election platform. Mr. Speaker, we were very pleased that during the election the Progressive Conservative Party, in answer to questions, adopted a portion of that view. They said they would remove the sales tax from necessities. They wouldn't agree to a general sales tax reduction. Well, Mr. Speaker, I hear the master poet himself, the Leader of the Official Opposition, say, "My God, we proposed it before you?" Well, Mr. Speaker, Mr. Speaker, please, that kind of a from-the-bench comment strains credibility because it is inconceivable that anyone in this province could take seriously that kind of protestation. Anyone who wants to read the debates of '67 and the protestations of '67, '68, and '69 will know what a preposterous suggestion it is that the Leader of the Progressive Conservative Party could be seriously interested in a reduction in sales tax, because he helped write the bill, so let's have no more of that.

Mr. Speaker, during the period ongoing the Progressive Conservatives, among other things, among CFI, among the Portage Diversion, among a whole series of things, had a great convulsion of confession, and they discovered they had been wrong. Why, the Leader of the Progressive Conservative Party made a great fetish of saying how wrong they had been, and I agree; they were wrong. And so, Mr. Speaker, they arrived at the general election of '69 saying, "We were wrong - forgive us." And Mr. Speaker, they're going to get their chance. Mr. Speaker, they're going to get their chance. Oh no, no. That's not quite true. The Honourable Member from Swan River is not accurate in his dates. The lights went out on the P.C.'s in '73. In '69 they were dimmed.

MR. ENNS: Because of the massive illumination of the Liberal Party?

MR. ASPER: Mr. Speaker, the court jester of the Progressive Conservative Party, the Deputy Leader, says was it a massive illusion, illumination on the Liberal Party? Mr. Speaker, I can honestly say with pride and conviction that the only party that stands before you in this House with a 40 percent gain from '69 is the Liberal Party.

Mr. Speaker, Mr. Speaker -- (Interjection)-- St. Boniface and Wolseley. Mr. Speaker, -- no, no, you sit down. Mr. Speaker, let - and I agree, I agree - let the levity end, because I am deeply concerned about the time limit and I have a very major statement to make and I'm concerned about the time.

Mr. Speaker, what's before us is this. At one time or another in the last four years, every party in this Chamber has denounced this tax, but never more so than now, because escalation in cost is making this tax, if it was harsh, oppressive and regressive in '69, it is less acceptable today because of the escalating cost of the goods on which the tax is levied. So, Mr. Speaker, we're suggesting here that the sales tax -- I could make the case and I would make the case, on necessities, on those things which constitute the things one must buy in order to live at the standard which society has set, be eliminated, and I don't make that case tonight because that is provocative. But, Mr. Speaker, what is not provocative is the resolution which says, "There's a problem and now let us assign a select committee of this Legislature to try to solve the problem. Let us look at the rate, let us look at the things on which sales tax is levied, and let us make a recommendation." And that I consider a neutral kind of resolution.

Mr. Speaker, question: Who creates inflation? Well, a series of forces do but, Mr. Speaker, no force is more pervasive in the creation of inflation than government - all government - and I have said that before I entered politics and while I've been in politics and it's a consistent position, as the Minister of Finance quoted in this House, from authority over the years that he sat in opposition.

Now government assists, according to the Economic Council of Canada, in the creation of inflation by 25 percent. That is, Mr. Speaker, that for every price rise, government is responsible for a quarter of it - That's the Economic Council of Canada. No. 2, Mr. Speaker: Who profits from inflation? Mr. Speaker, government - The biggest single profiteer from inflation, and I don't mean evil. I don't mean by some diabolical conspiracy, but by the mathematics of taxation, the beneficiary of inflation, the only beneficiary is government.

Mr. Speaker, let me give you an example. In 1967, with the same population we have today, this province with a 5 percent sales tax raised approximately \$40 million. In 1975, this year, this year, this fiscal year 1974-75, well I'll take the Honourable Member for Swan

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(MR. ASPER cont'd). . . River's point. I'll take this year, 1974. In this year the same rate of tax, the same population, the sales tax will be upward of \$100 million, the inflationary profit to the government \$60 million minimum --I believe \$110 million. The Minister of Finance can confirm it. Mr. Speaker, in the current year for which we're debating estimates, 1974-75 the profit on inflation to this government will be not \$60 million but approximately \$80 million. That, Mr. Speaker, is a profit on inflation.

Now, we went into the election and we said, we, we public officials can afford to give back; and Mr. Speaker, the Minister of Finance during the election -- and I recognize the tensions and hyperbole, exaggerations of an election, but Mr. Speaker, the Minister of Finance said it can't be done. It cannot be done. Well, Mr. Speaker, when we get to the Budget Debate the misleading statements of the Minister of Finance will be revealed for what they were; hyperbole, exaggeration and propaganda, because they could be done and he knows it. He knows that we could, with a regular increment in the cost of government, afford in 1974-5 the kind of sales tax reductions that we felt were necessary in order to contribute in some way to the alleviation of the increment in the cost of living. I heard somebody say, I heard the Minister of Health say, who would benefit? Well, Mr. Speaker, Mr. Speaker, you're going to hear tonight who would benefit according to the mouths of those people opposite, because I will tell you who will benefit, because I will use their words as to who will benefit from a sales tax reduction, and Mr. Speaker, before I get to that point though, the income tax profit to this government from inflation is in the tens of millions in this year, and I'm saying the aggregate, because of growth and inflation which are two components, will be \$100 million in 1974-5, \$100 million.

Now maybe we'll fight this out two weeks from now in the Budget Debate. I don't ask for a definitive argument tonight. What I'm saying, though, and there's no question that I'm right, that the aggregate increment in revenue to this province, this year, without a tax rise, will be approximately 100 percent of what we collected in sales tax last year, and I'm prepared as I have for three years been prepared to be proved wrong and have never once been proved wrong when I've made these statements. I can remember a year ago when we said you have \$60 million to give out either in service of tax relief, and the First Minister stood up and said, "Rubbish. Irresponsible nonsense," and six weeks later declared tax cuts to \$60 million value. And so, Mr. Speaker, I will not accept any dispute lightly on what I'm saying in terms of figures.

Now there can be debate but I'm saying that's the case. Now having said that, there are two cases that can be made, Mr. Speaker. The sales tax in this province represents 5 percent of the cost of living for the majority of people in this province, somewhere between 3 to 5 percent, a significant part of their cost of living to the little guy. Now if you want to cut the cost of living by the increment this year, then you cut the sales tax by one percent this year. If you want to get rid of the profit on inflation you cut it by one percent. If you want to cut it by more, you cut it by two percent, and we have the capacity to do it as the budget will reveal. But on top of representing a significant part of the cost of living, the sales tax represents a significant contribution to the rise in the cost of living, because what you bought last year for \$100.00 you paid a \$5.00 sales tax. That item today costs \$120.00 and the sales tax is \$6.00. The profit on inflation is \$1.00 on that \$100.00 purchase. Now, Mr. Speaker, the average citizen who is earning \$7,000 of which \$4,000 of his consumption dollars are sales taxable, is paying \$200.00 to Her Majesty, \$4,000 of consumable goods in sales tax items . . . (Interjections)

MR. SPEAKER: Order please. Order please.

MR. ASPER: Well, Mr. Speaker, if the members opposite in government dispute that, all I do is refer them to the Canadian Tax Foundation, an objective institution that says what I just said, and I'll give my authority when I'm not limited by a time clock. Mr. Speaker, that's a \$200.00 tax. The cost of living increment to that person raises his salary this year to \$9,000 on which he will pay a \$250.00 sales tax, a \$50.00 increase in tax. Now that means that the soul of conscience across the way, Mr. Speaker, believes in taxing sales tax on a used baby carriage, on secondhand furniture that the young couple buys to start their first home, or a \$3.00 meal -- and Mr. Speaker, I don't know where you can get a meal very often for less than \$3.00. No, on a \$2.00 meal there's no tax but on the \$3.00 meal you pay tax.

Mr. Speaker, when we communicate with each other by telephone, we've got to pay a tax a sales tax. Mr. Speaker, when the 14-year old child in my constituency who delivers newspapers to save his money to buy a secondhand bicycle and he finds that \$80.00 for a bicycle

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(MR. ASPER cont'd). . . and he's got to pay Her Majesty \$4.00 - not Her Majesty, I'm sorry; my colleague corrects me, the Minister of Finance. Now, Mr. Speaker, the small businessman who starts a business that the Minister of Industry and Commerce was piously concerned about, five percent sales tax on his industrial equipment in order to get started, and when he sells it to his son, when he sells it to his son, the son has got to pay a five percent sales tax to take his father's equipment? We love small business? Well, Mr. Speaker, we have a chance to change it. We have a chance to do something with this Resolution.

I can go on. I remember the Minister of Finance in '67 . . . about sales tax on toothpaste. Well he's levying it, Mr. Speaker. Sales tax on soap. He doesn't like it but it was there and he decried it, and it's there today. And sales tax on scribblers for the kids going to school and the pencils and the textbooks, and he denounced it. Mr. Speaker, the case for a select committee on sales tax, the committee, the select committee on sales tax that I speak of, is very similar to what the Province of Ontario did a few years ago, two years ago, three years ago, in the same circumstances to avoid a partisan brownie point kind of debate. They said, "We'll appoint a select committee," and members opposite will agree with me. They don't like it. They know they don't like it, and we don't like it, none of us like it. So on a non-partisan basis let's attempt the select committee route. Mr. Speaker, it's a moderate, it's a reasonable resolution; it's non-partisan and it's worked in other jurisdictions.

Government has two options and backbenchers opposite have two options: (1) Accept it; that a select committee of the House look into it. No commitment. Let's sit down as reasonable people to look into it. Or, if they won't accept that, then they must say to this House, "We are bringing in amendments to the sales tax to relieve the hardships that they, the Manitoba Federation of Labour, and all of us are complaining about." Mr. Speaker, I notice that twice or three times during this debate members opposite have said, "Give us the quotations." Well, Mr. Speaker, I have them and if I have leave I'll read them to you, and if I don't have leave I'll read them at another time. But Mr. Speaker, with what time I have, let me just take . . .

MR. SPEAKER: Order please. The honourable gentleman's time is up.

MR. ASPER: Do I have leave? Give me five minutes.

MR. SPEAKER: Agreed? Does the honourable member have leave to proceed? (Agreed) Very well.

MR. ASPER: Mr. Speaker, I read these quotations and believe me, believe me, Sir -- five minutes? Ten? Mr. Speaker, I read them only -- I don't attempt to make the case for hypocrisy because I know that things change, but Mr. Speaker, I recall to all honourable members of this House the words of the now government as they, not through some backbencher but through their leader, spoke when this odious tax was introduced, this tax which we all, those of us who have been in the economic world, in the tax world, have always denounced, and I refer in case somebody says I'm a new convert to an anti-sales tax position, I refer members to what I wrote publicly and spoke publicly in 1967 when I had no interest in public life. I believe I was quoted in this House, when I was quoted in this House as a tax commentator denouncing the 1967 Sales Tax, and I haven't found the quote but I shall find it, Mr. Speaker.

MR. CHERNIACK: (Inaudible)

MR. ASPER: Mr. Speaker, the Minister of Finance will have his time. Let me read what the then Leader of the New Democratic Party said. Mr. Speaker, he was then denouncing the argument that the government of the day was using and that was that everybody had a sales tax, and he said at page 1476, March 7, 1967: "Mr. Speaker, the government has not established any logic, any justification, or any proof of consideration that an investigation has been made by the Government of Manitoba into the impact of a sales tax in Manitoba. I think that my honourable friend the Provincial Treasurer has taken the easy way out. The easy way in this particular case in my opinion, Mr. Speaker, is to say well everybody else in Canada with the exception of one other province now has a sales tax in Canada. I don't think that this is proper. I don't think that that's a way out, a justifiable way out for a government to operate."

And then he said at 1477, "every single member of this Assembly, all 57, have a responsibility to stand up and be counted." And the governing party today, the opposition, the splinter party of '67 stood up and was counted. Mr. Speaker, the - oh, the Minister of Labour, the then Leader of the Opposition, the Leader of the Liberal Party, has suggested that Bill 56, the Sales Tax Bill, should be referred to the standing committee on Law Amendments for consideration.

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(MR. ASPER cont'd)

And then he went on, and I'll paraphrase because I want to read some more. He then went on to say that this was such an impropriety that he asked that an election be held on the sales tax issue in Manitoba. He said, "I dare the Honourable the Provincial Treasurer to refer this matter to the taxpayers of the Province of Manitoba. I dare this 40 percent government - that's what they are, Mr. Speaker, a 40 percent government. I dare this 40 percent government that we've got to refer this matter to the electorate of Manitoba." So sure was he of his case. And we the Liberal Party, we the Liberal Party agreed with him. Now it's a far cry from where they are then to where they went today. Mr. Speaker, the New Democratic party and the guffaws, the guffaws bely the hypocrisy, the complete about face, the turnabout.

Mr. Speaker, let me read from the man who oiled his way from this side of the House to that side of the House - the Honourable Minister of Finance, as he was in 1957. Mr. Speaker, that smooth man of aplomb who stood up in his dulcet, bass's tones and said in this House, "the ability to pay". . . Mr. Speaker, in the most eloquent manner, the most tender sensibility, he denounced this sales tax. He said, 1504, March 9, 1967: "There are features of double taxation; but the fact is that in Manitoba" -- and I'm skipping but I'm giving it in context -- the fact is that in Manitoba after this Act is brought into being there will be double taxation or sales tax on the federal and provincial level." That's an axiomatic fact, and that's the way it is today. He said it then and that's the way it is today and that's what he denounced. "There will be sales tax on top of the federal sales tax, there will be sales tax on top of customs and excise of the federal government. There will be triple taxation in the case of extraprovincial purchases, where a purchase was made in another province where tax is paid and brought here. There may even be quadruple and more taxation on the resale of used articles." You remember the household furnishings I referred to earlier - quadruple taxation, odious. An offence against the tender sensibility of the Minister. Not only that he said - well wait a minute he said, "an automobile which changes hands five times will carry with it that many occasions for taxation by this government." That's the law today, Mr. Speaker. And instead of five percent it may end up in 10 percent and 12 percent and more. Not only that but when the person who has purchased an automobile, for example, and paid the price of say \$3,000 and paid a tax of \$150, will consider that he has purchased an automobile which cost \$3,150, and when he comes to sell it he will try in some way to recoup the tax and generally raise the cost and the tax as well.

And he said, I don't think there should be a tax on health, I don't think there should be a tax on cleanliness and yet we are told that drugs which involve prescriptions, prescription medicines will be exempt. And he went on on the whole question of tooth paste and so on.

Mr. Speaker, I thank the House for its indulgence in extending the time, Mr. Speaker, I have a compendium of quotes which at an appropriate time either during this debate or at another time I will read into the record in order to bring this government to the level of integrity and morality that it professed in 1967. . .

A MEMBER: Hear, Hear.

MR. ASPER: . . . and he can do that. He can do that by adopting a modest principle that we will re-examine sales tax, or it can stand and face and be convicted of the charge of treachery, betrayal and hypocrisy in the extreme. The choice is on that side of the House, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, I've heard some garbage in my life but this is the worst I've ever heard in the history of any debate I've ever heard on taxes.

A MEMBER: The language in the minds of kings.

MR. DILLEN: You know the member would have us believe that the Manitoba Federation of Labour has accepted or denounced the principle of the sales tax, but let me just go back a little bit in history as to how this resolution happened to be presented to the Manitoba Federation of Labour. We had a young fellow up there pretty prominent in the union come out of the Thompson local and he got a little disenchanted on one occasion with the New Democrats and he thought that the Liberal philosophy was more in his line and he didn't want to divorce himself completely from the labour movement so he continued to go to the Manitoba Federation of Labour conventions and on one occasion he thought, well you know I'm going to present a resolution. I don't think it's ever going to be passed but I'm going to present it anyway and I'm going to give a very



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(MR. DILLEN cont'd). . . compassionate plea that I'm concerned about the little people in the area that I represent, I'm concerned about the little widows and the elderly and the people who are on a minimum amount of an income, and this is really the type of plea that if you're going to plead with the labour movement that they will accept - without question. But this fellow ended up shortly afterwards, after this resolution was accepted by the Manitoba Federation of Labour as the campaign manager for the Liberal who was running in the last election. --(Interjection) -- Yeh. I want to just check here and I've done a little bit of mathematics to see where the real concern of the Liberal Party is for the little people in regard to the sales tax.

The Leader of the Liberal Party would have us believe that the little people that I represent and who live in the outlying communities and make a limited amount of income were talking about a young fellow who may buy a pair of winter boots this year, he may add to his collection of traps and he may buy a pair of snowshoes. The total of his purchases for the year, whether it's in clothing or whatever, might be \$100.00. By reducing the sales tax by two percent we're going to do a great thing for this guy, we're gonna give him a whole \$2.00 saving. Man what a - and this from the Liberal Party who is concerned about this young fella.

But let's go a little bit closer. Supposing this man is going to spend a \$1,000, which means that he's in a higher income bracket. So he's going to get a little bit better, he's going to save \$20 if he spends a \$1,000 in taxable items over the period of a year. \$20.00! But you know there are other people in Northern Manitoba, there are other companies that do a tremendous amount of buying, for example if we have a company that's of a medium size and does a certain amount of taxable buying, we'll say in the neighbourhood of \$100,000, we're going to save this guy \$2,000 with a two percent reduction in the sales tax. But if a huge corporation, the huge companies or corporations that do a massive amount of buying in the neighbourhood of \$10 million, we're going to save them \$200,000.00.

A MEMBER: Ah, that's the Liberal policy. Now we're helping the big guys.

MR. DILLEN: Right. Now we can take a transfer I suppose and apply the tax reduced two percent which means that somewhere or other we've got to get an additional amount of money to make up the difference. So what we'll do then is add it to a sales tax, or to the income tax, or place a premium in some other area. And maybe replace the premium on medicare. I think that if we were to apply it to the income tax and then we say we're still concerned about the little people, you know the guy who makes a hundred dollar purchase in a year probably will not pay any tax either, and the corporations who don't pay any tax at all we're really going to help them --(Interjection)-- No, No. What I'm saying is that I have never taken the position that the sales tax, and I have never opposed not once have I opposed the sales tax, even when it was introduced by the Conservative Party.

MR. PATRICK: Will the honourable member permit a question? Can I ask a question of the honourable member? He stated the way the resolution or the question was asked in the Manitoba Federation of Labour. Is it not true that the latest report from the Manitoba Federation of Labour that just came off the printing press requests the government to review the sales tax, to reduce it to three percent and remove it on all necessities? So would you consider the Manitoba Federation of Labour executive incompetent and don't know what they're talking about? Are you stating that?

MR. DILLEN: I'll answer the question.

MR. SPEAKER: Order, please.

MR. DILLEN: I'll answer the question, Mr. Speaker in this way. That I don't consider any member of the Manitoba Federation of Labour as being incompetent. I think that if they were to sit adown and to really review the tax system in the province and consider the sales tax as opposed to a premium tax on medicare, then if they were to choose on those two bases, that they would choose to have the sales tax remain in its present state. I have that much faith in the competence of the Manitoba Federation of Labour that they would choose the sales tax over a premium tax on medicare, or any other form of taxation that effects the people in that manner. My opinion . . .

A MEMBER: Property tax.

MR. DILLEN: . . .the sales tax is probably the best form of taxation that exists anywhere in this province, or of any other form.

A MEMBER: Next to income tax.

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

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MR. DILLEN: When I state the position that the sales tax is the best form of taxation I'm stating it from the point of view of my own personal experience with taxes. Now I know that on the basis of my income that my purchases would not exceed \$2,000 in a year. The sales taxable purchases, and that includes the scribblers and the pencils and the soap and the toothpaste and my hydro electricity bill, my telephone bill or any of the other items that I pay sales tax on.

A MEMBER: An automobile, too?

MR. DILLEN: At my income level I do not -- I'm not in the income bracket where I have a snowmobile. I am not in the income bracket where I have a car every year. And I say I'm not in the same income bracket as the members opposite.

MR. SPEAKER: Order, please.

MR. DILLEN: So when you're talking about saving money on the sales tax on my purchases which would be less than \$2,000, but I'll use the \$2,000 because it's a round figure, you're going to save me \$40.00. I have never heard of such benevolence, Liberal benevolence to save me \$40.00, but the little -- for those people who feel that I -- I want to get back to the little people that these people are so concerned about; you know, the trapper on the trapline who makes, he might make \$2,000 in the course of a year, and in the case of the fisherman, the trapper, we have introduced a system whereby there is a rebate on the amount that he pays for gasoline, and by filling out a form he can get a rebate on the amount of gas that he has used and that's a system, the sales tax rebate on gasoline he is entitled to, 17 cents a gallon, and that to me is a form of assistance to the little people. But if we take the view that the Liberal Party has taken, that they would take away 2 percent on the sales tax -- and they would have to recover that money somewhere -- would they possibly consider placing the continuation of the sales tax on the use of gasoline, because it would have to come from somewhere, and they haven't by their resolution considered any assistance for the little people so I can assume that they would also apply that tax, the continuation of the tax on gasoline. But they have regarded this -- and I think the words that the Liberal Leader used, the Honourable Leader of the Liberal Party used -- "harsh, repressive and oppressive," and quite frankly, Mr. Speaker, in my opinion, the tax as it applies to a person in my income category, is the finest tax that exists of any of the taxes. If they are really concerned about people in my income bracket, then they -- everybody knows that I'm a member of the Legislative Assembly, I have no additional income of any sort. . .

A MEMBER: The bottom of the ladder.

MR. DILLEN: As a matter of fact, I had taken a tremendous reduction in salary in order to sit in this Legislature because I have a commitment to the people that I represent, to the miners in Thompson, and it is on that basis that I would suggest that this resolution ~~be defeated~~. If I was really concerned that this resolution was going to help the little people by more than \$2.00 -- \$2.00 -- I would support the resolution, but what concerns me is that it's not going to help the little guy by \$2.00 it's going to help the person who is spending \$10 million. If that's the amount the corporations are going to spend, then they are going to save \$200,000.

MR. SPEAKER: Order please. Order please. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: No, I've been doing it for so long now and it doesn't penetrate, Mr. Speaker; there's not really any sense. But just to the Honourable Member from Thompson, I don't know of anybody that buys \$10 million worth of clothes, I don't know of anybody that buys \$100,00 worth of clothes, Mr. Speaker, and quite frankly Mr. Speaker, the resolution says that we form a House Committee to study provincial tax and the effect it has on the people of Manitoba. I don't see anything in here about corporations or anything of that nature. Quite frankly, and I'd like to tell the Member from Thompson and I told him during the Throne Speech that 62.5 percent of the people in Manitoba earned between \$4,000 and \$15,000 a year. There's only 2.9 percent of the people earn more than over 25 -- there's only 2.2, 2.2 or better, a little better over \$20,000. You know who pays the taxes? They pay them provincially on your provincial tax, and believe me, they are the people who pay this sales tax.

You know, the member talks as if money is nothing; \$20.00 I'm going to save. You know 20 bucks is a lot of money to some people, \$40.00 terrible, terrible. Why would we bother saving anybody \$40.00. And then when he says the sales tax and you know 2 and 2 make 4 is what the member, the Leader of the Liberal Party said, because \$100.00 got you \$5.00 in 1969

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(MR. J. JOHNSTON cont'd). . . or so, \$120.00 with inflation right now, the same article gets you \$6.00. That's fact. Don't be so wrong as to stand up and argue with fact. Mr. Speaker, he shouldn't get in the habit of the fellows that have been here for so long that don't listen to facts.

Mr. Speaker, wouldn't it have been nice if after the Throne Speech in Manitoba we could have picked up the paper and seen an ad like this, was in the Free Press on . . . "Inflation gets top priority in Government Plans" I don't really agree with the way the Liberal Government tries to cure inflation, I quite frankly say that in some of their methods in the Federal Government they only add to inflation, but they're thinking of it, they're thinking of it. Wouldn't it be nice, Mr. Speaker, if there had been a study made -- and I have often in this House said I don't like to refer to other provinces, we're Manitobans, let's do what's best for Manitobans -- but after we made a study why -- you know if the Minister of Finance had made a study and he'd found out in Prince Edward Island, in November of 1973 they took the provincial sales tax off of all clothing, footwear and sportswear, and that Bill is being presented to the House in 1974 retroactive. And you know we wondered, it's not a very good thing to have a retroactive bill, so we found out, Mr. Speaker, and we have been informed by a member of the staff of the Minister of Finance of Prince Edward Island the reason the legislation is retroactive is because of the hardship being caused to the people of Prince Edward Island by inflation.

Wouldn't it be nice Mr. Speaker if our Minister of Finance would even think just a little bit that way? Mr. Speaker, inflation, as I have said before, there is no way that this government is going to attack inflation in any way, shape or form because every time prices go up they make more money and they can't survive without that money. They are incapable of running a province without creating inflation.

Mr. Speaker, I'm very pleased at the resolution in that it has asked for a study. The Leader of the Liberal Party usually gets up and asks for the impossible or says he's going to do the impossible and I would say that when he's critical of our party who put the tax on, this is fine. But when you get presented to you while we were government and I wasn't there, Mr. Speaker, idiotic proposals that you can't do and you know you can't do, then naturally you can't listen to them. It's just the same as back -- and the Minister of Mines and Natural Resources knows this -- back in the good days of Manitoba a resolution passed in the House meant something. They were turned down continually because the government of that day said if we accept or a resolution is passed by the majority of this House, that we should do that, that's upon us to do it. So now we have gone the other way completely, the Minister of Mines thinks it's a bad policy, we've gone the other way completely, where you know, we put out resolutions and you know it doesn't really matter how silly they are, you can accept them because you are only going to consider them, consider the advisability of. Well let me say this Mr. Speaker, -- the Honourable Member for Morris just said to me, Mr. Speaker, that we don't put out silly resolutions and I want to assure him, he wasn't here, I was saying the Liberal Party puts out silly resolutions and I want him to know because he gets mad at me if I praise them in any way, shape or form, and I agree with that. No question about that.

But, Mr. Speaker, we will get from the Minister of Finance when he finally gets around to speaking on this resolution, we will get told, or somebody on the other side, that we have transferred money, you know, we have transferred money. Look at all the money we've taken we've transferred, we've given back. Nobody has debated my argument when I got up in the Throne Speech and said people in Manitoba are paying more real and provincial tax now than they were in 1969. And I put the figures right on the table and nobody has debated it. There is no question that even with the rebate that he talks about, you are paying more tax today than you were in 1969. So now we also have a situation with that more tax, we have a situation where the sales tax now brings in probably more than double what it did in 1969, we have a situation where every charge in the province has gone up, transfer of houses, everything you want to bet -- everything that the government charged for has gone up. Autopac's gone up, driver's license gone up, plus the fact -- and let's get back to what we're speaking of as far as the tax is concerned -- this tax is nearly doubled, that's the main thing, and there's no thought of relief for the people of Manitoba.

Mr. Speaker, the comments on this resolution to date so far have been ranging into other taxes and I know that the resolution refers to sales tax only and I don't mind the debate ranging

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(MR. F. JOHNSTON cont'd) . . . into other taxes and I'm not going to stand here and say that I agree with companies being charged the production machinery tax and production materials tax that this government put on. And the Member for Thompson can call that business but if he thinks it's not passed on to the people, he's wrong. Those taxes should be looked at very closely because that probably was just another way of making this five percent into about seven or eight. And we said that, Mr. Speaker, and that's what's being proved, so we should be looking at all the taxes and there many more taxes. The amount of tax that is doubled up on different commodities in this province is to the point of ridiculous and we are paying high provincial taxes and the little man is paying it all. You fellows sit over there and you try to kind somebody in this province that they're not paying taxes. You try and kid somebody in this province that they're not short of money. Try and kid somebody when they've got five children and they've got to pay seven or eight dollars more for the winter boots that they buy you know, and little Prince Edward Island, the Minister of Finance who has some heart, has some heart, turns around and he said well I have to take this off because I've examined the fact and it's hurting, it's hurting inflation the way it is, rising prices, I have to take some relief off these people on clothing.

A MEMBER: What did they do in Ontario?

MR. F. JOHNSTON: What did they do in Ontario? My examination of the fact, Mr. Speaker, is that I don't think that we should do in Manitoba what they did in Ontario. Mr. Speaker, let me tell the Member from Thompson right now that there is one million people in Manitoba, approximately one million people and I would like him to go and do an exercise on how many people are in Ontario, how many businesses are in Ontario, how many jobs are in Ontario, how many more places to get work there are in Ontario and then come back and tell me that he can compare Ontario with Manitoba at any time, at any time . . . tell me, tell me.

Mr. Speaker, the honourable members are trying to get me into a debate about the wealth of Ontario and everything and I keep telling them you just can't compare it, whether they're wealthy, whether they're poor or what they are, we've got a million people in Manitoba and Ontario is a much different province. Now for heavens sake, Mr. Speaker, they just won't realize it, I get accused all the time but, you know, it's impossible to get to them. I said that very quickly when the debate first started that for four years we've been trying and we haven't got anywhere. So, Mr. Speaker, I would like to - we agree with the resolution in official opposition but we would like to make the following amendment to the resolution --(Interjection)-- No, I said we agree with the resolution here in the official opposition and I would like to make this amendment: Moved by the Member from Sturgeon Creek, seconded by the Member for La Verendrye that the proposed resolution No. 11 be amended by inserting immediately after the word "tax" where it appears in the first line of the Resolved, the following words, "and all other provincial taxes for the purpose of measuring the impact of taxation on inflation and . . ."

MR. SPEAKER: Moved by the Honourable Member for Sturgeon Creek, seconded by the Honourable Member for La Verendrye, the amendment - that the proposed Resolution No. 11 be amended by inserting immediately after the word "Tax" . . .

MR. JOHNSTON: Mr. Speaker, would you kindly read the amendment?

MR. SPEAKER: . . . after the word "tax" where it appears in the first line of the Resolved, the following words, "and all other provincial taxes for the purpose of measuring the impact of inflation and - of reducing financial hardship and the impact of taxation on Manitobans." Is that correct?

MR. SPEAKER: The hour being 10 o'clock, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. There is no adjournment in Private Members' Hour on resolutions.