

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, August 26th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

HONOURABLE STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, I beg to present the second report of the Special Committee of the House composed of all its members.

MR. CLERK: Your special committee of the House composed of all its members beg leave to present the following as their second report. Your Committee met at 9:30 o'clock a.m. Wednesday, August 26, 1964 and heard representations with respect to Bill No. 11 - An Act to amend The Metropolitan Winnipeg Act, from the following: Messrs. R. H. Bonnycastle, L.E. Ostrander, W. Fraser, C. N. Kushner, Bruce Thompson, Posniak.

Your Committee also met at 10:35 o'clock a.m. August 26, 1964. Your Committee has considered Bill No. 5 - An Act to provide for Relief from Certain Unconscionable Transactions and has agreed to report the same without amendment. Your Committee has also considered Bills No. 9 - An Act to amend The Department of Agriculture and Conservation Act, No. 11 - An Act to amend The Metropolitan Winnipeg, No. 12 - An Act to amend The Municipal Act, No 16 - An Act respecting The Town of Steinbach and has agreed to report the same with certain amendments, all of which is respectfully submitted.

MR. McLEAN: Madam Speaker, I move, seconded by the Honourable the Minister of Education that the report of the committee be received.

Madam Speaker presented the motion.

MR. LAURENT DESJARDINS, (St. Boniface); Madam Speaker, I would like to move, seconded by the Honourable Member from Gladstone, that the report of the Committee be not now received with respect to Bill No. 11 and that said bill be referred back to Committee for further consideration.

Madam Speaker presented the motion.

MR. DESJARDINS: Madam Chairman, the reason for moving this amendment is because we were told that --this is supposed to be a special session dealing with the rights of people mostly-- and we were told that nothing would be rushed, that the people would have a chance to make representation. My Leader, I think it was yesterday, or the day before that, asked the Leader of the House when he would have committee and was told that we would know in due course, or something to this effect. Yesterday afternoon we adjourned at 5:00 o'clock. It would have been very, very easy and simple for the Leader of the House at the time, to tell us that the Committee, to inform the people, the members of the press were here and so on, to inform the people that we would meet in committee this morning at 9:30 but this wasn't done. Now can the answer be, can we say, well yes but we wanted to see how many bills would be passed - we weren't sure. That would not be valid either Madam Speaker because no bills were passed last night, at the sitting of last night. I think that he had a chance to see this morning that these people certainly did not agree with everything that were in these bills, especially, well I'm talking about Bill 11, maybe some of the other bills also and some of the people I know, I have received phone calls at noon, they were very surprised that this has gone through --I don't think that this is right. I think it would have been very, very simple-- this is not something that would --rushed on us. It would have been very simple at 5 o'clock last night for the First Minister to say, "Yes, we'll be in Committee tomorrow." We asked him this question, not at the time --we asked him the question before and this wasn't done. I think this proves again that this session is getting to be a joke and we are not looking after the interests of the people of Manitoba if we are not giving them a chance to have a say, especially a bill like this, that we're trying to rush through something of Metro, supposed to be important. I bring this motion at this time and I hope that not only this will affect this Bill 11 that I hope it might have a chance to go back where we will have full representation, but I'm thinking also of Bill No. 2, the tax bill, and I want to make darn sure that we are not going to have the same

(Mr. Desjardins, cont'd). . . thing again and this will be rushed in committee.

Madam Speaker put the question and after a voice vote declared the motion lost.

MR. DESJARDINS: Yeas and Nays, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House, the motion of the Honourable the Member for St. Boniface. Those in favor of the motion please rise.

A standing vote was taken the result being as follows:

YEAS: Messrs: Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure, Wright.

NAYS: Messrs: Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Strickland, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas 20, Nays 33.

MADAM SPEAKER: I declare the motion lost. Are you ready for the question?

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

MADAM SPEAKER: Notices of Motion

Introduction of Bills

Orders of the Day

MR. ELMAN GUTTORMSON, (St. George): Madam Speaker, I'd like to direct a question to the Minister of Mines and Natural Resources. I have some complaints with regard to the action taken by the Government in the area of Pine Ridge, where their land is being expropriated for a park. People complain that they don't know what --they can't get information from the Government with respect to what they plan to do, when they plan to take the land over, and when they are going to be offered a price for the land. Could the Minister enlighten us on it?

HONOURABLE STERLING R. LYON, Q.C. (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, the negotiating teams from the Department are just now, as I understand it, completing their assessment in that area and I'm hopeful --I've had the same comments as my honourable friend-- I'm hopeful that these enquiries from these people will be answered very shortly.

MR. E. R. SCHREYER, (Brokenhead): a supplementary question to the Minister of Mines and Resources. About two months ago the people in the Pine Ridge area were given to understand that appraisals would commence in early July and that initial offers would be made to the people affected sometime in late July. Since it is a fact, therefore, that the offers are about a month late in being made, I would like the Minister to undertake to inform us what was the nature and cause of the delay, one month.

MR. LYON: Madam Speaker, I'm not aware of any commitments of that nature that were made or of any delay in the schedule, but I can look into the question for my honourable friend.

MR. GUTTORMSON: supplemental question, could the Minister indicate is there any rule of law as to how soon an offer must be made after an expropriation order is filed?

MR. LYON: Madam Speaker, that is in the Expropriation Act and I wouldn't presume to tell my honourable friend what the law is.

MADAM SPEAKER: The adjourned debate. . . .

HONOURABLE DUFF ROBLIN, (Premier) (Wolseley): Madam Speaker, may I suggest that we continue with the debate on Bill 2.

MADAM SPEAKER: The adjourned debate on the second reading

MR. GILDAS MOLGAT, (Leader of the Opposition) (Ste. Rose): Madam Speaker, I wonder if the First Minister would indicate when we will have debate on Bill No. 3?

MR. ROBLIN: I will speak about it shortly I hope, Madam Speaker.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 2. The Honourable the Member for Ethelbert Plains.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Madam Speaker, the subject matter of this bill has been pretty well covered both in the debate on the bill as well as in the Throne Speech, but it does appear that there is an angle or two that have not been fully discussed and, if I may, I'd like to spend a few moments on them.

(Mr. Hryhorczuk, cont't.)

The Report of the Michener Commission is considered the reason for this session and I would just like to remind the members that the Commission was to study the finance of local governments and their organization, and so far as the session is concerned we're dealing pretty well with finance and nothing insofar as reorganization is concerned.

Now, Madam Speaker, was it necessary for us to appoint a Commission to tell the government and the Members of this House the questions that the Commission tried to answer? Was it necessary for us to have a Commission to tell us that the tax load on real estate in this province is high and that something has to be done about it? I don't think that there's a member in this House or a taxpayer in the Province of Manitoba that couldn't have told us that the tax load was reaching the stage of being unbearable. We needed no Commission to give us an answer to that question.

The second question was: if the tax load is too heavy, which was admitted and granted, what are we going to do about it? There is only one thing that could be done about it and that was to transfer it, part of that load if not all of the load, to provincial taxes and we didn't need a Commission to tell us that, Madam Speaker, because that was the only answer that we could possibly get from a Commission, all of which we were fully aware of, each and every member of this House. We knew that transfer was needed and we knew that it would have to be transferred to the province. Then the only thing that the Commission could have given us an answer to, is the question of what will the province do if part of the load or all of the load is transferred to the province. The only answer was that we'd have to use our present revenue to carry the load and if we found it insufficient that we'd have to find other tax revenues. It boils down to the fact, Madam Speaker, that all the Commission was really asked to give us was how were we to raise the revenue necessary to take over the transfer of the real estate tax load.

Well, the Michener Commission did come up with an answer but this government saw fit to disregard it. In other words, Madam Speaker, as far as finances are concerned in local governments, the Michener Commission was a wasted effort like so many other commissions that have been set up by this government. But the Commission did serve a purpose, a purpose which you cannot find in the legislation before us but we can find it in the statement made by the First Minister when he was in the second reading of this bill. Now, Madam Speaker, before I go into that phase of this whole matter I think it is only right and proper for us, the members of this Legislature, to appreciate the fact as to who was responsible for this very large increase in the tax load on the real estate of the Province of Manitoba. I believe the government has been trying hard to blame the municipalities for this and I think in reference -- and I will make references to some of the statements of the First Minister which point to the fact that he's doing everything he can to place the finger on the municipalities and the Metropolitan government.

Now where did these taxes go up? What was responsible for the increase in these taxes? We have the question of schools and I say, Madam Speaker, that no matter how well and how efficiently had the school boards and the municipal councils done their work, they could not have helped to stop the increase in the tax load. It was the policies of this government that let to that increase, and neither the school boards nor the municipal councils had any control over those expenditures. Now the school taxes and the road taxes formed the largest part of any municipal tax. I was trying to get an average of what part of the municipal budget they form, and I must say that I couldn't get an accurate answer to that question, but from the figures I was able to obtain I'd say anywhere from 60 to 75 percent of the municipal tax is attributable to your school and road taxes.

Now the total tax imposition -- let's see what's happened with the school taxes for example. The total school tax imposition by all the municipalities of the Province of Manitoba including the cities and the towns and villages and so forth, in 1958 the total tax imposition for school purposes was \$56 million. In 1962 they jumped to \$79 million, an increase of 40 percent. That's the total tax imposition. The school taxes were \$23 million in 1958 and jumped to \$36 million in 1962, which was an increase of 60 percent.

Now, Madam Speaker, the government will probably say, "well, we brought in the school divisions and so forth and it was quite natural for the school taxes to go up." When I come to deal with the question of the school rebate, or the school tax rebate, I'll go into that

(Mr. Hryhorczuk, cont'd.) question a little further. Now I'd like to refer to the Premier's statement which appears on Page 9 of Hansard, and I want to read from the statement and I quote, Madam Speaker: "It has been made perfectly clear to us by both local representatives and the public generally that in some important areas immediate action is required. One of these would be to reduce the burden of local school taxes and another would be to implement re-division of some of the responsibilities between the province and the municipalities."

Now, how did it come about that we had these increases in school taxes and why were they there? When the school division plan was brought in after we had a Royal Commission make that recommendation, this government set a minimum for teachers' salaries over which the school boards had no control and which incidentally -- I don't want to go into this phase of it because it has often been spoken about on the floor of the House, that the government made the people of this province believe that any increase in school costs would be borne by the government, and of course we know what the actual results were: The teachers' salaries took a tremendous jump, the question of construction of new schools were very costly, in many cases unnecessary expenditures were made, and I will say, Madam Speaker, that I expect that because of these costly mistakes that the schools will be asked to in the very near future, to construct further schools.

Now what can we expect in the future insofar as school taxes are concerned? Madam Speaker, as I said previously, the school taxes in 1958 were \$23.3 million -- that is, the taxes on the real estate, the municipal taxes. In 1960 they are up to \$30 million, an increase of \$6.8 million. Now, Madam Speaker, it could be rightly said that this was a transitory period when we were going from one type of school system to another, the divisions came in and it took considerable money and therefore we have the increase. But Madam Speaker, looking at the taxes after 1960, we find that in '62 they had jumped to \$36.5 million. In the first two years they went up \$6.8 million, and the next two years they went up \$6.4 million, and if they go up progressively in that same manner -- and there's no reason to think they won't -- it'll mean that by '64 of this year they'll have jumped another \$6.8 million. Now the Premier proposes to give a school tax rebate in the amount of anywhere between \$8.5 and \$10 million. I say to the Honourable First Minister, Madam Speaker, that that rebate will be of no consequence within a matter of two years at the most, because the school taxes are bound to go up not only \$10 million in the next two years, but if we go by past performance they'll be up \$12 million in the next two years, and we have every reason to believe that they will. We know that past history tells us that every time there was any government grant given to the municipalities, that the teachers always asked for a portion of that grant and I say, Madam Speaker, that it's not going to be any different this time either. So what is going to happen? What is this \$8.5 million going to do for the people of the Province of Manitoba? It's a fixed amount. Had we had some type of a formula set down where the share of this provincial government would increase as the costs increased, it would be a different matter, but it isn't made that way, Madam Speaker. The fact is that it's a fixed amount and the First Minister was very careful in saying that henceforth our municipalities are going to be responsible for any increase in taxes. He says here, "I've come out and have given you a hand. I'm doing everything I can, from now on it's up to the municipalities and the school boards" -- a very neat trick.

And is this money going, is this money going to the councils who are responsible for the imposition of school taxes? No, it's going to the taxpayer. And of course it's obvious, Madam Speaker, that the First Minister did not only have the reduction of the tax load in mind with this provision but he was making a good fellow of himself by giving a direct rebate to the voter and at the same time putting the municipal councils in an impossible position. Now what does that rebate amount to? Well it's quite evident what it amounts to. We've heard so much about the 50 percent business that we are under the impression that they're going to get us 50 percent of the taxes paid, but that is not correct, Madam Speaker. The total tax imposition in 1962, school taxes only, was \$36 million, so we're actually getting 25 percent of the total tax load. That is the percentage this government is taking over on the figures of 1962. I don't know what they are for 1964 but I venture to say that they will be around \$40 million -- it doesn't mean anything.

What about the municipalities, the additional book work they'll have to do? They'll have

(Mr. Hryhorczuk, cont'd.) . . . to -- all those municipalities that hadn't a special column in their tax rolls for the total taxes paid, and any individual parcel will have to make sure that they have that particular column in there -- they'll have to send out tax notices giving each individual parcel the amount of school taxes charged against it. They'll have to issue receipts different from the type they issue now in order to get their tax refund. The municipal people are going to do all the work for this government outside of sending out cheques to the voter. Pretty cute.

Now what other way does the First Minister propose to reduce this tax load? By taking over what he said was "some roads in the municipalities." Well, Madam Speaker, this is one thing we have to look at pretty closely, very closely indeed, because I can agree with the First Minister in one of these cases here, and I'll read it, and it appears on page 8 of the Hansard and I quote: "I would also hope that they would find some of the things that I'm about to say now also of interest because you can't really understand the bill without the explanations that go with it." How true. How true. The bill does not give us the type of information that we need in order to know the full import and impact of what the First Minister is trying to do. He is going to give us some relief on municipal roads. Now, Madam Speaker, I think that what we should do is just find out how the municipality got into the position of having to build more roads than it would if it was left to its own judgment.

When the school division plan was brought into being it became necessary for the municipalities to construct school bus roads. Prior to this the municipality had the responsibility for main market roads within the municipality on a 60-40 basis -- the government was responsible for 60 percent, the municipality was responsible for 40 percent. This type of roads throughout the province had just about been completed when we came to the school divisions, and the program was just an extension of the main market roads, but the 40 percent that the municipalities had to contribute towards the main market roads was brought on by the school policies of this government -- absolutely beyond the control of the municipal councils. Now the First Minister is going to make a good fellow of himself. First he puts on the load on the people of this province through the municipalities; now he's coming back and he says the municipalities will have to start looking after their own business and be more responsible, more efficient. "I'm going to give them some help right now and if they can't carry on from here it's just too bad for the poor taxpayer."

But this is not the whole story, Madam Speaker. What is going to happen now? The First Premier says they are going to take over 100 percent all community connector roads. Now I would have liked to see the First Minister define that term. What is a community connector road? Every road allowance in this province running north and south runs from the United States border down to the northern boundary of the Province of Manitoba, and they run every one mile, and each and every one of these roads are actually connector roads. The same applies from the east to the west. Every road runs two miles -- there's a road every two miles right from the Ontario boundary to the Saskatchewan boundary and every one of these roads is a connector road. Does the First Minister mean that he's taking over the whole entire road system in the Province of Manitoba? Of course he isn't. But what does he mean? And I say to you that there isn't a man in this House, Madam Speaker, that can tell us what he means and neither can he. What is a community connector road? As far as I'm concerned I would interpret that to mean roads which we now call main market roads or school bus roads which appear in every municipality, as only a small fraction of these main market and school bus roads run into similar roads in adjacent municipalities. If he only means those roads as connector roads then he is taking the responsibility for an infinitesimal amount of road building in any given municipality, because the municipality is going to remain responsible for all main market roads, school bus roads that are within the municipality and do not connect one municipality to another. In my municipality there are only three of such connector roads out of a swarm of them and they won't encompass any more than about ten miles of road in the whole municipality.

But that isn't the whole story. Far from it. I must admit that we have a wizard as a First Minister. He has cased all these problems very well. He knows so well that in the Province of Manitoba now we have a movement towards the consolidation of elementary schools, and that consolidation of elementary schools is going forward at a rapid and more rapid pace.

(Mr. Hryhorczuk, cont'd.) . . . What does that mean? That each municipality is going to have the additional responsibility of building up the roads that are going to connect the elementary schools which are going into consolidation, and the expense is going to be terrific. There's no undertaking by the First Minister that he's going to make any contribution to these roads. He's confined himself to these community connector roads, whatever they are. And whenever studying any proposal by this government we must be exceptionally careful to watch the language used and try our best to understand it, and I want to say that it isn't the easiest matter either.

Now, why was this session called and was it solely for the purpose of transferring some of the tax load from the municipality to the province? And let us look at page 8, and I was going to repeat what the First Minister said about having to explain these things. Madam Speaker, there was another very important reason for calling this session in connection with taxation, and that was that the First Minister could foresee that sooner or later he would have to take over more and more of the local tax load. Now he's trying to forestall it; he's trying to get himself in the clear and how is he doing it? I'm concerned with Metro in the same way that any citizen in the Province of Manitoba is -- not as much as the citizens of Greater Winnipeg are -- but we can see from the trend that the Metropolitan government is becoming more and more a department of this government. It is not the kind of a government that the people of this province were told was going to be created. It is being used as a buffer between the province and the citizens of Greater Winnipeg. It was created so that the abuse that this government would get would go to the Metropolitan Council. And the Metro Council has been abused from the date of its inception and still is. Without the existence of that Metropolitan government, Madam Speaker, this government would be getting that abuse -- a beautiful buffer. At the same time this government is doing everything it can to take the credit for anything that the Metro Council does which is a credit to the Council. Even in the legislation that is before us you can see that trend. They're giving a million dollars for something or other to Metro Winnipeg. In the same breath they say, "Here, you levy taxes for the hospitals here in Greater Winnipeg." And what does that mean, Madam Speaker? It simply means the imposition of taxes is something that nobody likes. Well, Metro can take the blame. But we're good fellows, we in this government. We're giving Metro some money -- a million dollars as compared with \$20 million that we have to collect. So much for Metro.

What about our municipalities? Now let's see how our First Minister set up the municipalities for a kill. And all I have to do is refer you to his speech made in conjunction with this bill, and here it is. Now, I'd ask the members of this House to just listen to me very carefully because there's a lot that can be placed into the words used by the First Minister, and I'm going to quote from Page 12 of the Hansard and I quote: "These two measures are clearly designed to separate provincial and municipal responsibilities. They should also enable municipalities by their own decision to control their own expenditures in the immediate future." I've already pointed out to members of this House that there are certain areas in which the municipalities have no control. Those levies are called uncontrollable, and the only place where they can get any control is if this government gives them that control, which it hasn't done.

Further on -- and I quote: "The Province is now assuming those areas of responsibility where major cost growth may be expected and has left to local government those areas where cost growth is likely to be less burdensome."

I say to you, Madam Speaker, that this statement is far from accurate or correct, because where is the growth going to be in these taxes? In school and road expenditures. And how much of this load has this government proposed to undertake? An infinitesimal amount, a set amount not taking into consideration the future increases of these taxes which are bound to come. But very cutely the responsibility by these words has been shifted on the municipal councils. They are the scapegoat of this government, and I quote again from the same page: "The province now becomes responsible for the principal areas of escalating costs." Again a statement that is incorrect, not accurate and not factual.

So, I would say that one of the primary motives of this so-called relieving of the tax load on real estate was nothing more than for this government to get out from under and lay the blame directly on school boards and municipal councils for any further increases in the costs of schools or roads, and this was done with the knowledge that it was impossible and is

(Mr. Hryhorczuk, cont'd.) . . . going to be impossible for either the school boards or the municipal councils to hold the line.

Now, we see that not only in this statement but I'd like to refer you, Madam Speaker, to an article that appeared in The Tribune of June 24, 1964. And I'm only going to quote what was quoted as words uttered by the First Minister. He called upon Manitobans -- now the balance is quote: "To ensure that the transfer actually takes place and local taxes go down." The same thing in a little different vein.

We must remember that there is going to be a population growth in Manitoba. We're hoping that there is. The government tells us that they're doing everything they can to see that it is -- and I mean as a government. The costs have to go up; they can't do anything else but go up. So what do we get? We get a one percent reduction or one point reduction in the income tax. And why, why this one percent reduction? When was this income tax brought into the province and why? To help pay the costs of hospitalization and, in the words of the Premier, to reduce the premiums that the individual has to pay. At that time we asked the government to earmark this tax to make sure that every penny collected under that tax, this one point could now have been used to reduce the premiums that the people of the province are paying. And I'm quite satisfied that there is more than one point left there that the hospitalization plan is not receiving. But this points out something. That throughout the years since the imposition of this tax somebody was making money on that tax, because the tax was bringing in more than was needed for the hospital plan. And I wonder who it was. Who made that money?

Now you'll ask me, Madam Speaker, how is it that the Premier of this province for the past six years has been able to get away with this type of approach to public responsibility. Well, Madam Speaker, I think it's not necessary for me to point out how, but I will, whether it's necessary or not. The way he's been getting away with it is because he is one of the most clever and shrewd politicians that this country ever has seen. I think that he is one of the best public speakers that this country's ever seen. I believe that he has as good a mastery of the English language as any Canadian has.

MADAM SPEAKER: I'd like to remind the Honourable Member that he has about three minutes left.

MR. HRYHORCZUK: How many more?

MADAM SPEAKER: Three.

MR. HRYHORCZUK: I'm sorry. I'll have to make this very short. I was hoping that I could carry on to prove certain points but if I can't I'll get another opportunity at some future date. But, the Premier is capable of leaving the impression when he talks, the type of impression that he wants his audience, his listeners to get. At the same time, because of these talents, he's able to leave himself dozens of avenues of escape. But the Honourable Minister is fallible like the rest of us mortals. He's not perfect, not by a long way, and his failings are where they hurt the province most. He hasn't the equivalent ability to administer and manage the affairs of this province. He can create, he can create good policies, good programs, but when it comes in to the practical implementation of these programs he's lost. And I'm only sorry that my time is up because I could take you to every department. I promise to do this at the next regular session and show you that he and most of his front benchers haven't the talent to run the affairs of this province. Words, yes; the ability to talk, yes. Under all these talks and words the failings of this government are hidden. Occasionally we see them pop out of these bushels of words and sooner or later they're going to get caught up with and I think that the time is fast approaching, and I want to repeat, Madam Speaker, that at the next regular session I will carry on from where I leave off now.

MADAM SPEAKER: The Honourable the Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, I rise to make a few remarks and express my views on Bill No. 2. I've listened quite diligently to all the other speakers that have talked on this bill and have made many comments on it and I would like to add what I feel is important. I suppose this is the first time in the history of Manitoba that the taxpayers have been forced or asked to pick up such a large tax tab. If getting used to picking up the tab for this government is any indication of their willingness to accept taxes, then Manitoba taxpayers should be easy to convince because -- not that the government puts on taxes in the regular

(Mr. Patrick, cont'd.) . . . sessions. They call a special session to implement taxes.

The Leader of our group has indicated the new taxes about to be imposed will bear heaviest upon the medium or an average working man. I am concerned with the effect of these taxes in my constituency and particularly to the new tax on the land transfers. In Assiniboia constituency the land transfer tax will be a very costly one. In an area such as Assiniboia where there is a building boom, the burden of this tax could be detrimental and curtail construction and development.

Let us consider for a minute the purchase of a new home. Last year a great many homes were purchased under the winter works project under the Federal \$500 bonus scheme. With the new tax that is proposed, the cost of mortgage insurance fees, the land transfers could amount more to the \$500 incentive bonus. -- (Interjection) -- I'll get to that a little later. The land transfer tax will have a serious effect and a blow to the construction industry in the Province of Manitoba. This tax seems to be patterned after an Ontario tax which I understand is one-fifth of one percent, ours proposed here is one percent, which is five times greater than the one in Ontario.

Now let's take for example, I would like to illustrate if a developer buys land from a speculator and let's assume in small proportions, a lot we'll say is valued at \$2,000, the tax would be \$20.00. The developer has to improve the land, install improvements, and he sells it to the builder for \$4,500 at the going, we'll say, rate today of \$85 a foot, this would amount to an additional \$45 tax. In turn the developer sells the house to the house builder, the house builder finishes the product, sells the house to the purchaser we'll say for a modest priced home, at \$16,000, this would give us \$160 tax. We have three stages of taxation making this \$225 on a unit of \$16,000.00. I believe this is a very excessive tax on a modern home. -- (Interjection) -- a little later. This will make the down payment much higher. At the present time the mortgage companies would not consider this increase as a value or added value to the price of the home. I feel that this legislation will completely destroy the winter works incentive bonus program. On one hand the Federal Government is giving, and on the other hand the Provincial Government is taking this incentive away.

Home owners will have to be faced with the full federal tax in January of 1965, which is excessive. Now we will have an additional provincial tax in the near future, so I feel this is going to place quite a problem in the construction industry. The Central Mortgage and Housing today rejects at least 25 percent of all the mortgage applications because of insufficient income. This present proposal would increase the construction costs and will invariably increase the declination of mortgage applications. I do not consider this tax as a luxury tax when we talk about land transfers, phone and electricity, gas, coal, fuel oil. These are the basic necessities of our daily requirements. You can see, Madam Speaker, that the increase in this purchase is going to create a very difficult situation to many people. Many home buyers are young couples and when they can find the money to purchase the home they are faced with increased telephone, hydro bills, plus the increased cost of operating their cars. Surely, Madam Speaker, no one will argue that the increase in gasoline tax is not going to be a heavy burden on people living in the suburbs. People have moved to the suburbs to avoid high taxation and now the present tax proposal is placing a penalty on them.

Madam Speaker, these taxes will fall disproportionately on low income groups. I believe the session was called to give home owners some relief. They only have to pay it back in new taxes. The other speakers have dwelled I believe on most of the items in the bill. I have concerned myself to this one item, the land transfer tax and I hope that the government will reconsider this proposal.

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. J. M. FROESE (Rhineland): Madam Speaker, after hearing a good number of the other honourable members speaking on Bill No. 2, I find that there is not too much to say that has not already been said. However, it depends also on the view or the outlook that an individual has and whether he goes along with what is being proposed or not. I find that the Michener Report, I have not read all of it, but I have read I would say most of it and studied the recommendations that I thought were of interest to me and that were worthy of concern. In a way I am happy that the government is not proceeding with the implementation of all the recommendations of that commission at this time, because I feel that some of these are very

(Mr. Froese, cont'd.) . . . important recommendations that should not be tackled in a hurry and as far as I can see and as far as I am able to ascertain, that I could go along with only a very few of those recommendations contained in that report, because I feel that the recommendations pertaining to schools are of such a nature that I could not go along with them. I feel that the government itself is responsible and has been responsible for the spiralling costs in education and I feel that this bill before us which will give the school taxpayers a grant, is just an expression of guilt, a guilt that they have caused the school costs to go up beyond reason and placed this heavy burden on the taxpayers.

After all it was this government that brought in the legislation in 1959 which set up the division program, which also started a higher grant scale for teachers salaries. This boosted the teachers salaries in this province by a large amount and had there been some control that the local school boards could have brought into effect I wouldn't have objected to it, but the way it was brought in, and the way the legislation that was proposed went into effect, it rendered the school boards actually powerless or ineffective, unable to control costs. This legislation also brought in more centralization. Local school boards were subject to government boards that had control as far as building of new schools. This was regulated from appointed boards and more and more the autonomy of the local school boards was lessened.

I feel that the local school boards should have a free hand in the spending of their monies, in the levying of their budgets. They should not be subject even to a divisional school board as to the monies that they are going to spend. Education is a matter that we do not want to restrict. We want all our children to get a good education, and I feel that the local people know best what they want, what their desires are, what type of education they want for their children and therefore they should also have the power to say how much money they are going to spend on school matters. All in all, I feel that the local school boards have been exercising great economy. They have not been over spending and they have been doing a very good job.

This new tax proposal in bill No. 2 is supposed to reduce the cost to the local school taxpayer but at the same time that the realty taxes will be reduced he will be required to pay other increased taxes. How well this is going to work out and whether most of these people that are paying real estate taxes are going to benefit is hard to say. I would like to know more from the government the way they arrived at all these statistics that they give in the report and in the Minister's talk introducing bill No. 2. For one thing, he lists on page 28 the amounts that he expects in the way of revenue through the various taxes, and I would like to refer briefly to the land transfer tax. This has had a great deal of discussion here in the House. I feel that this is going to place an unfair burden on young people who are going to buy their home maybe their first home in many instances, and I feel that we should be making exemptions to young people who are acquiring their first home. After all, this is what in my opinion, a grant of this type should try and achieve, to encourage young people to own their own homes, to have a stake in the province, to become a taxpayer in the future. The amount listed as revenue that they anticipate receiving is \$2,200,000.00. I feel that this sum will be much larger when we will hear actual reports in a year or year and a half from now. Why even solicitors in this province feel that this is much too low and that the amount will be much higher.

Then under Mining Royalties tax, here the government anticipates a \$400,000 revenue. The cost of operating the department in the estimates that we passed this spring was \$6,368,655.00. The amount that the Premier indicated at that time that he hoped to receive from our natural resources amounted to \$4,917,350.00. This is about \$1,450,000 less than what we spend in that department. Now we are hoping to receive another \$400,000, so that means we will still be over a million short in the amount of money that we will be receiving compared to what we're spending. I feel that he could have at least increased it to the amount that the department would be a self-paying proposition. Certainly with all the natural resources that we have here we should be able to make that department a paying proposition.

I feel also that we in this province are going into debt by leaps and bounds and that we are paying increased amounts in interest on the outstanding debt year by year. We approved this spring in capital supply some \$37 million. This is new money that is going to be borrowed on which we will be paying interest. I mentioned in the budget debate that about \$20 million of this should have come out of current revenue and should not have been capitalized. Here again

(Mr. Froese, cont'd.) . . . this will cost the province another \$2 million in interest next year which will be eating up part of the new revenue that will be coming forth from these taxes. In addition there will also be payments on principal that will have to be made. So that if we do not stop this policy of mounting debt there is not much purpose in increasing taxes because we are still going deeper and deeper in the hole.

In referring to the gasoline tax, we've already heard how the truckers in this province will be affected. The costs of their operations will be going up and they in turn naturally will have to increase their rates. This will mean that the Public Utility Board no doubt will have to approve further increases on the tariffs that they will propose. So in one way they're increasing the rates on telephones and service when we already had an increase on rates this spring; we are now in addition putting in a tax which will increase the costs. We are making these decisions without the approval of the Utility Board but as already mentioned the truckers and others will have to go back to the Utility Board to get approval for increased rates. So this is just going to be one big merry-go-round.

I also object to the increase in taxes on electricity. This is an energy that practically all of the people of this province are using and it will affect all of the people. I feel that we should have gone on a pay as you go policy long before this so that these debts wouldn't have increased to the point where they now are; we would have been able to control the expenditures and in this way we would have been able to get away without increasing the taxes at this particular time.

I don't know how much room for abuse there will be under these new taxes. As some of the members already have mentioned it will probably mean that we will have to put on the road a good many more policeman to do the job for us. Are we coming to a police state in this way? All the smuggling that is going to take place in cigarettes no doubt we'll need more men on the road. -- (Interjection) -- Pardon? -- (Interjection) -- I don't go along with that type of increased employment just to hold back smuggling. -- (Interjection)

I will have several questions on different parts of the bill. I hope to ask these questions when we get to committee and get answers for them.

Those, Madam Speaker, are just a few points that I wanted to raise. As I already mentioned some of the major points that I was very strongly opposed to and took exception to have already been dealt with and I feel would just be repetition for me to go over them again.

MADAM SPEAKER: Are you ready for the question. The Honourable Member for St. John's.

MR. SAUL CHERNIACK, Q. C. (St. John's): Madam Speaker, I found it most interesting to listen to what was said on this side of the House in criticism of the bill. I share the criticism. I am intrigued by the attack just by the last speaker on the education facilities provided by this government, which I do not hesitate to commend, which I feel has been a tremendous stride forward in this province. The contribution to education and health in this province is one that I think we should recognize and what I quarrel with more than anything else is the manner in which it has been financed and is continuing to be financed.

I listened with interest yesterday when the Minister for Agriculture was starting to talk about the philosophy behind the tax imposition and I was most intrigued when he followed after the Honourable Member for Burrows had spoken, and who I remember talked about the program of this government which he compared to driving cadillacs, and then I heard the Honourable Minister of Agriculture tell us that whenever there is an expenditure there must also be a tax, they go together like love and marriage, he said, and I thought that I agreed that love and marriage go together but I couldn't help but think of the song whose words go beyond that and say, "Love and Marriage go together like a Horse and Carriage" and I thought that was just the type of conveyance in which the Honourable Minister of Agriculture -- and I think the Honourable Member for Burrows -- would be most comfortable in terms of financing government programs.

Madam Speaker, the Honourable Minister of Agriculture spoke in terms of frightening off the people; spoke in terms of fear in the event that income taxes go up in the province. We must not make other pastures look greener, we will suffer; and he said -- well he spoke of driving executives of companies away and he said: "You can't say let's tax the big fellow." I presume he means you can say, "Let's tax the little fellow." It seems a logical corollary.

(Mr. Cherniack, cont'd.) . . . I wonder whether that is the philosophy of this government because we on this side asked to know what was the taxation philosophy. And then the Honourable Minister, who I think is most comfortable in a horse and carriage, proceeded to justify a budgeting practice of a five percent margin, when he indicated that if \$21 million was expected to be raised and \$20 million spent in this method that a margin of \$1 million was quite reasonable, it's five percent of the amount to be raised, as compared I think, and if the Honourable the Provincial Treasurer would agree with this policy he should concern himself with the margin which he leaves himself in his overall budget, in which I understand that out of some \$151 million the margin allowed is \$158,000, something like .1 percent rather than five percent. However, it's only an indication of the conservative approach, and I mean the small "c", conservative approach, to the Conservative with a large "C" plans in respect of raising funds for this program.

Actually I believe, Madam Speaker, from reading the address of the Honourable the First Minister in introducing this bill that one-half of the income is expected to be used in handouts to school ratepayers and that the other half is intended to provide a public works program in the main for this province, some of which -- and I use that term in the broadest sense, it may be the largest portion of which -- but I don't think all of which, I think only some of which, will relieve the municipalities of a load that they are now carrying. So that I believe that we will find that of the monies raised in this way, some \$21 million estimated, not all of it will find its way back through whatever means the government decides to use to relieve the burden on the real property taxpayer.

The various taxes proposed, Madam Speaker, have been commented on at great length by a number of speakers on this side of the House, and in the main I agree with what was said. It has been commented on barely at all on the other side of the House, only in a rather cursory fashion I believe when the bill was introduced, and I don't want to deal further with what has been said except to suggest that if it was felt that the selective sales tax used for tobacco and liquor and gasoline were considered to be fair game because tobacco and liquor are not essentials -- I don't think the word luxury was used, but it may have been -- then I would like to suggest that we can look forward to further fields in which the government may investigate, such as the purchase of dinner jackets, the membership fees paid in country clubs, horse race betting -- isn't that a source of income that the government has monopolized in this province? The ownership, purchase and playing of bagpipes might well be considered a proper source by some people

MR. ROBLIN: That's a necessity.

MR. CHERNIACK: The point that has just been made, and I'm sure it hasn't been recorded, so I'll repeat it, that one of the members of this House thinks that bagpipe playing is a necessity would indicate that each to himself decides for himself what is necessary and I for one don't want to decide that smoking is not necessary or that drinking is not necessary -- I think each consumer decides for himself.

Having commented in that fashion, Madam Speaker, I want to go directly to the question of the land transfer tax, and I want to speak of that in terms of its impact on all peoples in this province and attempt not to repeat what has been said, because it seems to me that this is a tax which is liable to get a number of people into a difficult situation mainly because it has not been thought through with sufficient care. The land transfer tax, I believe the Provincial Treasurer in dealing with it suggested by inference that it's a form of "capital gains tax" which I think is nonsense because it is not related to any profit or gain. I think he infers that the tax is the same as in Ontario which is factually incorrect because in one case it's one-fifth of one percent as compared to one percent here. He states that it will not bear heavily on those who cannot afford it. I am bound to say that that is not correct in my opinion. I think it has been brought out already that that one percent tax might well be 10 to 15 percent of the cash payment which is made in the purchase of land; and I would like to suggest therefore that the impact will be one which will be completely inequitable and not related to any of the philosophies that I understand ought to exist in terms of taxation. The Honourable the First Minister spoke in terms of this tax as being a source of "investment profit" from which little direct public revenue is derived. I don't think that's a correct statement at all. I don't think it even bears -- I don't think it can stand up at all -- because to the extent that there is a

(Mr. Cherniack, cont'd.) . . . profit made on the resale of land there is an income tax payable and those people who have had dealings with income tax are very well aware of the fact that almost any dealing in land, any type of profit made on land, becomes taxable the second or third time a man deals with a parcel of land and therefore there is an income tax on dealers in land and if there are not dealers then I don't think that there is an investment profit involved in dealing with that land.

The Honourable the First Minister also spoke of those who -- I'm quoting now: "those who profit by frequent transactions in this area will share in small degree with the province the profits that accrue to them from this natural heritage." Well, if what he means is that the province should share to some small extent in the profits made and the income earned by people who deal in land, then by all means he is accepting the principle of the ability to pay being the principle of taxation and income tax as being the method of taxation and he must recognize that the province now derives not a small but a substantial part of the income of the people who make profit by frequent transactions in land. I think too, that if they don't pay income tax then he must be accepting the principle of a capital gains tax because that too would seem to be the logical conclusion as to the purpose for which this tax has been levelled.

I don't think that we are going to persuade the government to vary the tax policy which it has adopted here. I do hope however, that we can persuade the government to look very carefully at the legislation which has been drawn, and again I'm thinking specifically of this land transfer tax. I earn my living in the practice of law and a good portion of my practice is involved with acting for buyers and sellers of land, and I can report that although I have been practically unavailable in the last week insofar as my office is concerned, I have had to have a number of conversations with people who are deeply concerned with the effective date of this land transfer tax and I think now there are lawyers scurrying about trying to clean up the deals which were made a month, and two and three months ago, which would not normally be completed at this time, but who are anxious to get their documents registered lest they fall afoul of the proposed land transfer tax. Now this would be, I think, completely unfair, if they should have to pay the tax because when the deals were made it was not contemplated. If this tax comes into being, if prospective buyers of land are aware that the tax is there, then when they make their deal they know that there will be a tax payable, they will have to expect to pay it. Whether it's a justified tax or not becomes academic. But at this stage in my office, and obviously in all law offices, there are transactions which are now taking place which were completed a matter of months ago in terms of a deal being made but registrations may often drag for some period of time. I would hope that the Honourable the First Minister will clarify the government's intention in this respect so that people who are concerned, as they would be with justification, will know how to deal with this specific problem which faces them now.

Now, Madam Speaker, I want to deal briefly with the question of the distribution of the monies that are proposed to be raised in this fashion. The purpose, as I understand, of calling the session, was to in some way alleviate the burden on the taxes on real property and the -- Honourable Minister says -- the Honourable the First Minister on page 9 that, quoting one of the recommendations and one of the main ones, "There should be a transfer of school tax burden from local taxpayers to provincial taxpayers in order to give relief from the burden of school taxes on real property." And I know as we all do that the local taxpayers are the same people as are the provincial taxpayers. Obviously what must be meant is that the method of collection of taxes from the local taxpayer should be relieved by transferring the burden to that method of collection which is being used by the province and I would suggest now that the method now being used is probably more inequitable than the one which it was intended to relieve. At least in the real property taxation was the recognition that the wealthier people live in bigger homes, I suppose; the recognition that the more elaborate buildings are occupied by people who are better able to afford them. But in this way there is a complete imbalance created in the distribution of the burden of taxation. Who will be paying this new tax? It'll be people of this province, people who own their homes in which they live, people who are tenants in homes, people who up to now as tenants have been paying real property tax, as part of their rent -- and I think that we can quickly agree that whenever rents are fixed the costs of maintaining the property, paying back the capital investment and the taxes on the property are all calculated as part of the cost of rental. So that there will be these people, the smokers,

(Mr. Cherniack, cont'd.) . . . the drinkers, the owners of property, who live therein and tenants of property. But when we look here to see who will benefit from this re-apportionment of the burden of taxes, we find that the people who own their homes and live in them will benefit to some extent; we find that landlords will benefit to a large extent, but I see no attempt whatsoever to ease the burden of all those people who are tenants in properties. That to me is probably the worst criticism or the strongest criticism that one can make in this bill; and when we consider the landlord who benefits we must recognize something else -- that the landlord who benefits will be that one who has small holdings and a number of them. The man who owns an apartment block with 100 suites in it will get some \$50 back in his pocket, but the man who owns a large number let us say, 100 individual single family homes that are rented out will benefit to the extent of \$5,000.00. I have described that person as the man who owns a large number of single family dwellings that are rented out. I am on the verge of describing him and will now describe his associate as a slum landlord and I'll be right about that too; and I am suggesting, Madam Speaker, that the person who will benefit most from this rebate of school portion of taxes is the slum landlord and I think that that is a pretty logical conclusion from the method that is going to be used.

And about these tenants. They will be paying their tobacco tax and their alcohol tax and their gasoline tax and their fuel tax and their motive-power tax and their telephone tax and all the utilities and all these other taxes, except they won't be paying much on the natural resources, I'm sure. They will be paying it and they will be getting nothing back. And if they are tenants in a large apartment block or in large business buildings they will find their rents going up, and properly so, because the person who looks after their property has to heat it, and his costs are going up, we know that; he will have to supply hot water and the cost of heating the water is going up; and he will then say, well, out of my 100 suites in my apartment block, or my 10 suites in an apartment block I will already be contributing part of that in the normal way that the funds are being raised, but I will have additional burden of costs with this particular piece of property, and I will then be entitled to go to my tenant and raise his rent. Well, let's assume that he doesn't raise his rent. Will the tenant be entitled to go to him and say, "You must now reduce my rent?" I don't see how. I don't see how the tenants of any multiple family dwelling, no matter how small it is as long as it's a multiple family dwelling, I don't see how he could justify demanding a reduction in rent. I don't see how he can say, "Your costs are down, therefore my rent should go down," because in effect the owner of this multiple family dwelling is getting a very slight reduction or rebate through this tax.

Now the leader of my party mentioned co-op housing, and I would like to be specific about a plan that is now near its stage of fruition where a co-operative group is planning to build 200 units of housing, and as all co-operative developments of this nature go, the title to the land will be owned by this one co-operative and the tax bill will be one tax bill, and I presume the government rebate will be \$50.00, and yet there will be 200 people, 200 families which have made a contribution equivalent to a down payment on the house in terms of the purchase of shares, and will be paying a monthly, what they call a rental -- I don't even think they call it a rental; I think they call it some other form of monthly contribution which is designed to take care of the costs of operating that development and the amortization of the capital investment. These people will not get any return if I read this correctly. I hope I read it wrongly and that the Honourable the First Minister will ease the minds of so many people who are deeply concerned with the impact of this form of distribution.

What will happen in terms of net leases, where tenants have undertaken in the lease that they will pay the taxes? What will happen in the case of owners of leaseholds, who have to pay the taxes on the property? Who gets the \$50.00 back? I read it to be the registered owner of the property, who may have no interest whatsoever in whether the taxes are \$1.00 or \$50.00. He doesn't pay them, he doesn't collect them. It means to me that there has not been sufficient thought given to this problem of re-distribution, and although I know that we are not going to persuade this government to radically change this bill, because it can't afford to -- it can't afford to lose face -- then I would request the government to look very carefully at the impact. I'm under the impression -- I don't know that I have it just at hand -- but I'm under the impression that the government has allowed itself a certain amount of leeway in this and as it does by permission, by ministerial discretion or by Order-in-Council, enables itself to vary some

(Mr. Cherniack, cont'd.) of the legislation, perhaps it will find it possible to correct what appears to me to be oversights in this bill, and that it will not hesitate to do so when it has time to sit back and review what the impact is.

The problem is immense. It was settled only in the last number of weeks, I presume -- I presume it was decided since the Michener Commission Report -- and I would urge the government to carefully consider again and again what its impact is. I speak particularly now about the land transfer tax, which I think is a matter of concern now today for a large number of people who have made their deals but have not been able to register their land yet, and I speak also for those people who as tenants are people who will be entitled in all moral principles to a reduction of tax along with their neighbour who happens to be the registered owner of the property.

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, I beg to move, seconded by the Honourable Member from Carillon, that the debate be now adjourned.

MR. ROBLIN: Madam Speaker, before you put the motion I would like to say that I don't think we could support it on this side of the House. We have now been debating the measure for some time and I think that those members who are prepared to speak should do so and we will continue the debate as long as anyone wishes to carry it on, but I would not suggest an adjournment at the moment and I would ask my honourable friend if he would be kind enough to speak now.

MR. D. L. CAMPBELL (Lakeside): Madam Speaker, on a point of order, surely there is no reason with the Order Paper as short as it is now, why an adjournment shouldn't be granted to my honourable friend. We have made a good bit of progress today and in the last few days, and I would think that anyone who is used to the procedure in the House here can tell that we are not going to be very much longer in session. With two or three sittings a day we're certainly going to wind up soon. I would remind my honourable friend of his promise about adjournment. I would suggest that we have other work on the Order Paper, why can't we have an adjournment now? It's only until this evening.

MR. ROBLIN: I appreciate what my honourable friend has said, Madam Speaker, but I think I would maintain my position. I believe we have been reasonable on adjournments and in allowing members to stand matters over. There has been a good deal of it and we don't wish to appear to be arbitrary about it, but this debate has been on the Order Paper now for ten days and I think that we would maintain our position and suggest to my honourable friend that we would be very much obliged if he would speak now.

MR. CAMPBELL: on the point of order, say one other word, Madam Speaker, and that is that another debate on the Order Paper has been allowed to stand without any objection from this side of the House. Why should we not have the same courtesy accorded to us with regard to this debate that has been accorded to the government with regard to the other debate?

MADAM SPEAKER: Is the Member from La Verendrye prepared to go ahead?

MR. MOLGAT: No Madam Speaker, we demand that there be an adjournment.

Madam Speaker put the question and after a voice vote declared the motion lost.

MR. MOLGAT: The Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House, the motion of the Honourable the Member for La Verendrye.

A standing vote was taken with result being as follows:

YEAS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Tanchak, Vielfaure, and Wright.

NAYS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney and Mrs. Morrison.

CLERK: Yeas 20, Nays 33.

MADAM SPEAKER: I declare the motion lost. Are you ready for the question?

MR. VIELFAURE: Madam Speaker, when I rose a few minutes ago I thought my suggestion would be acclaimed by all the members of the House since we have been talking

(Mr. Vielfaure, cont'd.) . . . taxes and nothing but taxes for hours, but since it hasn't been acclaimed I will try and make my contribution right now.

Madam Speaker, I happen to live in what I call -- and I think the Minister of Municipal Affairs agrees with me, and even the First Minister has mentioned it in this House -- the municipality with the highest property tax in the Province of Manitoba. I have been mum on this subject ever since I was elected to this House, because I was looking forward to the implementations of the Royal Commission on Taxation for relief. However, I must say that I am very disappointed with the legislation that is before us to date because, instead of relieving the taxpayers in that immediate area, it will simply increase the tax in most cases. It so happens that in the Municipality of La Broquerie where the real property tax is really high, the people there are engaged in industries in which, to my estimation, they will be penalized for more than their share of this new form of taxation. First I would like to mention the farmers who are engaged in the dairy industry, hog raising, poultry raising. They have to use quite an amount of gas and electricity in order to operate, and the fact that they were refused last year a hundred gallon deductible gas with their trucks, plus the fact that they have just absorbed a three cents a gallon not too long ago, and the imposition of another three cents now, I think it's going to be quite a penalty on these people.

Another group of people which in my estimation will be affected for more than their share of the new taxes is the small town trucker, commonly known as the local transfer. These people have made quite a contribution to the development of this province and this to me again is an overcharge to them because it will mean an excessive cost to their operations.

The other item which I feel very strongly on is the tax on heating fuel. Now I would like to be clear, and I am not trying to make this a personal matter because of the fact that I am associated with the delivery of fuel oil, and when I go out of this House I will be delivering fuel oil for two weeks replacing one of my boys and at that time I think I will understand the impact of this tax more than anybody in this House. I am not always able to understand a bill easily, but when it will come down to the delivering of the oil and making the bills and after it's made add on a plus tax, \$2.00 or \$2.50 or whatever the amount is, one then understands the impact of the tax very well.

I am not one who says that all that is done on the other side is wrong and all that is done on this side is right. However, I cannot understand this government for having imposed a tax on fuel oil, or any other means of heating as far as that goes, because as far as I am concerned this is just as bad as imposing a tax on food or on kids' clothing, or -- because how can one lessen a fuel oil bill? It just has to be done. And this will be quite an impact on many of these people, and because of the fact that I am more familiar with it I would like to stress this point, and I hope the government considers this strongly and considers pulling out this tax on fuel oil because, as I said, next week I will be going out delivering fuel oil and in many cases these people will be paying the balance of last winter's fuel oil bill. Now to start again this season and at the offset to add already one cent in tax will be a hard blow to these people. To me there are many other fields -- I heard some mentioned by the Honourable Member from St. John's this afternoon -- there are certainly other fields that could be used instead of that one.

Oh, I know there will be a \$50.00 rebate but this is another point where I don't agree with the rebate -- the government making a rebate on taxes. Maybe I'm old fashioned -- and I sure don't claim to be a philosopher -- but I don't agree with this idea of the government giving back tax money to people, because to me it is just like if we would picture the government as a big daddy with all kinds of cents in his pocket and the kids coming along and "Daddy give me a little more." I just don't agree with this philosophy. It creates the impression to me in the peoples' minds that the government has all kinds of money and all you do is ask for it and you get something for nothing. I certainly don't think that this will improve our government in this province.

Another subject which I have heard a lot about while we were discussing this tax business is the comparison at many times by ministers of the other side on the situation as they see it today or after the programs we are being presented with will be implemented, and in many cases this is going to be four and five years from now, and comparing this situation with the situation in the time of the government of my honourable friend the Member from Lakeside,

(Mr. Vielfaure, cont'd.) . . . and I don't think this is a fair estimation. As I said before I don't think that what is done by the other side is all right and what is done by this side is all wrong. However I think we have to take in the fact that the times are changing, and I don't care what government is in power today, many of the changes that have occurred would have occurred under another government.

I am one who believes that the people should be told that if they want more services, it will cost them more. Let's not try and preach that all this can be done for nothing. I don't think this is the right attitude, and if I'm on this side of the House -- at one time where I made a decision to, not at that time to join the House, but I was at a political meeting and my honourable friend the Member from Lakeside was making a speech trying to elect one of his members, and I heard him say to the people at that time, "My friends, don't think that government will give you something for nothing. What they give you in one pocket they take away from the other pocket." And at the same time I was hearing speeches by members of the other side -- not at the same time but during the same election campaign -- that all we needed was better management and that things would be better, that we didn't have to have higher taxes. Well I think we have the proof today, Madam Speaker, and I'm not saying that all that has been done should not have been done, but let's face the facts and look at the situation today. Sure, a lot of things have been done but our debt has gone higher and our tax bill has sure gone higher too.

This reminds me of one situation which we often see in the country, and pardon me for making this illustration but I will anyway. Quite often we will see one farmer who has operated very diligently, carefully, has been careful in his operation and has saved quite a few dollars, and one day he decides that his time is over, that he would like to give the leadership to his son and at that time the son will take over the farm. There is quite a bit of money accumulated and the son will spend it all to improve the farm, will make use of the credit facilities available to him, and will change the whole structure of the farm, and you will hear some people say, "Look how the young fellow is a good farmer; look what he has done. The old man never did nothing and look what he has done to date." Well, I'm not saying the son didn't do the right thing but I am saying let's give credit where it's due. The old man had a part to play in that team. Well I do not want to belabour this point but the point I am trying to make is that at this time we are asking certain segments of the society, certain groups of people, to pay too large a share of the \$20 million that this government is asking the people now. I have named a few and this is the point I want to make. As far as I am concerned this is going to be too hard a load on certain people and in many cases not the ones that can afford to pay it.

MR. T. P. HILLHOUSE: Q. C., (Selkirk): Madam Speaker, I hesitate to say this but this is the first time during my period of 14 years in this House where I have known a government to invoke closure without notice of motion, and I don't think that the government has done the right thing in the attitude which they have adopted in respect of the motion made by the honourable member for an adjournment. However, the government's majority has ruled and it is necessary for us to speak on this bill if we wish to speak on it.

Now, Madam, I listened with a great deal of interest to the Minister of Agriculture and Conservation yesterday evening, and he tried to create the impression that this legislation was justified on the grounds of the reforms which the government intended to put into effect -- reforms in the nature of additional assistance for ditches; reforms in the nature of additional assistance for roads. Now, Madam, I believe that legislation is judged good or bad on the test as to whether or no that legislation does the greatest good for the greatest number of people. And applying that test in this particular case I'm afraid that this legislation falls far short because this legislation is simply taxation legislation, and the tax is going to be imposed on a very large number of people who are going to receive no benefits whatsoever from either the tax rebate clause or the additional burden which the government hopes to take over from the municipalities. I wish to concur in everything which has been said by the various members of the opposition groups who have spoken against this legislation, and I particularly wish to concur in what the Honourable Member for Brokenhead has said in respect of the government's failure to approach its fiscal policies on the basis of a sound principle. I concur in what he has said and I believe that this government has no principle, no fiscal principle at all other than fiscal expediency. I believe that this legislation, Madam, is panic legislation of the worst type.

(Mr. Hillhouse, cont'd.) . . . I don't think that it has been properly thought out and I don't think that it is going to achieve what the Michener Report suggested should be achieved in the interest of our municipalities and school districts. I don't think it is going to switch the burden of taxation from the lower levels of government to the higher levels of government.

The various aspects of this bill have been dealt with very very fully by my Leader, and I wish to concur in everything which he has said. I wish to concur in everything which has been said by the Honourable the Leader of the NDP Party, the Honourable Member for St. John's, and I particularly wish to address my remarks towards this land transfer tax. I think that the land transfer tax cannot be justified on the basis of principle, on the basis of justice, or on the basis of equity. I think it's nothing more or less than a frantic tax imposed solely for the purpose of raising money without considering any service or any benefit in respect of the land in respect of which the tax has been levied. Now just to give you an example, Madam, of the amount of money that this government is going to raise from this particular tax, the Honourable Member for Assiniboia dealt with the pyramiding effect of this tax, that is in a land development scheme, and he referred specifically to the municipality in which he resides and which forms part of his constituency. Now what the honourable member has said is perfectly true and it is going to amount to more than a one percent tax when you consider the various stages of development in a municipal development scheme.

Now, I practice law. I have a small country practice, but a few days ago I took some documents into the Winnipeg Land Titles Office and on the basis of the value of these documents if this tax had been imposed I would have had to pay to the Provincial Treasurer, \$750 on the valuation of these lands that were being transferred. Now that's only one little item. Consider these firms in Winnipeg who are registering maybe 100 transfers a week in respect of these big developments, because there's hardly a house today even in rural Manitoba which is being sold for less than \$12,500 -- that is new houses -- and in the City of Winnipeg and in the Greater Winnipeg area they run from \$12,500 up to \$30,000.00. Now just because a person can pay \$12,500 for a home it does not necessarily follow that that person can pay the one percent tax or has the ability to pay that tax, and I think this tax is ill conceived.

There are certain aspects too, Madam, of this Part 2 of the Land Transfer Tax that I think should be studied very, very carefully, because I do not believe that the government realizes the full implication of this part of this particular Act. Now, it says that land means land as defined in the Real Property Act. I would suggest that you take a look at the definition of land in the Real Property Act. Land even covers a right-of-way. It covers an easement. It even covers a lease, because it covers any interest. Now it doesn't only mean that on a transfer of land are you going to pay this tax, but if you register an easement or a right-of-way agreement in the Land Titles Office you are going to pay a tax on that too. You're going to pay a tax on a lease, and most leases are registered if they are for three years or over.

Another thing too, Madam, is the actual value or true value of the land. Now what is the true value of the land? Who's going to determine the true value of the land? Is the true value of the land going to be the market value of the land, or is the true value of the land going to be the value that's going to be fixed on that land by some official of the treasury department?

Now another thing about this land transfer tax too is this -- there is going to be something hanging over a person's head for an indefinite period. I register a transfer in the Winnipeg Land Titles Office today under this particular Act. I don't know whether that office is going to accept that valuation or not. That is going to be up to an official of the Treasury Department. Now there's no limitation on the time fixed in this Act for that Treasury official to state whether or not they are going to accept that valuation. At one time in the Winnipeg Land Titles Office, or in the Land Titles Office in Manitoba, if you were registering a real property application or a tax transmission application, they used to send to an appraiser a notice of the fact that you placed a certain value on that parcel of land. That appraiser checked that valuation and within a few days the Land Titles Office was in a position to tell you whether or not they accepted that.

Now under this Act there is no such provision made, and from a practical standpoint it's going to be exceedingly difficult in the practice of law, once this Act comes into force and once this tax is imposed, for a lawyer to know when a transaction has been completed.

(Mr. Hillhouse, cont'd.)

Now there's another feature of this Land Transfer Act that I don't like, and I'm surprised at this government including this principle in the bill, and that is the principle of placing the onus of proving innocence on a person accused of an offense under this particular part of the Act. I think that should be removed. But one of the biggest objections that I have to this particular part of the Act is the fact that the Lieutenant-Governor-in-Council has a right by Order-in-Council to determine on what type of transfers this tax is going to be applied.

Now I don't think the Lieutenant-Governor-in-Council should be given any power by this Legislature to impose a tax, and I would ask the government to look into that section. It's true that there should be some provision made in this Act where a person has registered a transfer in any Land Titles Office and has paid the transfer tax fee and that transfer has been rejected, there should be some provision in this Act whereby the District Registrar, or the Collector, whoever he is called, has the right to pay that fee back to the individual who paid it. So far there is no provision, and if the Lieutenant-Governor-in-Council's right to impose a tax or to deal with taxes is confined to that specific aspect, I have no objection, but I do object to the general terms and the general powers given to that gentleman.

Now as I say, I don't intend to deal with the other aspects of this taxation Act. I think they have been fully dealt with, and I wish to commend every member on this side of the House who has spoken so far. I think they have covered the subject very very thoroughly and there is no need for me to gild the lily.

MADAM SPEAKER: Are you ready for the question?

MR. ROBLIN: . . . Madam Speaker, if I may have the privilege of closing the debate.

MR. CAMPBELL: Madam Speaker, I have a few words to say before the debate is closed.

I'm one who can say in all honesty, Madam Speaker, that I'm one who intended to take part in this debate. So many say they didn't until something happens. I have intended to from quite some time ago and I was particularly encouraged last evening to do so, because the Honourable the Minister of Mines and Natural Resources and the Honourable Minister of Welfare, when my honourable friend from Emerson was speaking were doing a lot of heckling and suggested that some things that he was saying with regard to the road program of this present government were incorrect, and they, when I nodded my head signifying that they were correct, the two honourable gentlemen suggested to me that that was incorrect and I said I would try and put them straight on the matter. It just seems to be too bad that both of them have left the House just a couple of minutes ago. I don't know for what purpose they have left -- I'm sure they didn't know that I was going to choose this moment to enlighten them, and while I have no influence at all with the government whip I would hope that he could find at least one of them to get them back into the House while I perform that service for them, because I think that a good many members have taken the opportunity afforded by this debate to talk about matters which relate directly to taxation, and this road program is one of them and I propose to do just that and mention a couple of other matters as well while I'm at it.

Now what I understood the Honourable Member for Emerson to be saying last evening was that this government, which is undoubtedly excellent at propaganda, had been giving the people to believe that there has been a great road program going on, that it has continued to go on, that it is much in excess of what the former government had, and that that had continued up to the present time. When my honourable friend for Emerson said that they were not doing now any more than the former government had done, my two honourable friends over there were so vehement in their denials that I took the occasion last night, even after having stayed up later than my usual custom in order to see my Leader on TV -- and an excellent job he did I thought, Madam Speaker. I thought that -- I was so proud of him -- to compare him with the exhibition that I had seen of the Honourable the First Minister on Sunday last, and the comparison certainly was very pleasant to me. So even after that late date, I went to work to try and dig up some figures to enlighten my two honourable friends who were so interested in the road program, and then they go and desert me after being here more regularly than is their usual custom nearly all the afternoon, and they desert me just when I get ready to make this speech. However, all I can suggest is that someone will take some interest in it on their

(Mr. Campbell cont'd) behalf and at least they can read Hansard.

Now this question about the road program of my honourable friends. The only explanation that I can give for the position that my honourable friends take over there, is that this propaganda has continued so voluminously and for so long that the honourable members have fallen victims to it themselves. They believe that there's been the kind of a program that they talk about. Let me give you some figures. It's true of course, Madam Speaker, it's true of course that in the years immediately after my honourable friends took office, the year 1958-59, that there was a great program. You remember this table that they used to have in the House -- you recall this one -- Page 55 of the annual report of the Department of Public Works in the year ending 1962, this chart has been given. You are aware too that it has been discontinued in the last report. It's been discontinued because this high line that's shown up so high here, in the election year, has been steadily declining since and it's still declining, and so they stopped the chart.

This chart itself shows plainly that back in the year 57-58, the last one which our government completed the road program, that we were just as high as the one in 61-62, and you don't need my honourable friend the Minister of Public Works to tell you that the reason that '63 wasn't put in here is because it was down again, and here it goes. And yet my honourable friends continue to assert to themselves that this great program is still continuing. I honestly believe that they believe it, and last night my honourable friends seemed quite confident in suggesting that the figures be produced, and even at the discourtesy of interrupting my honourable friend, they were saying across the floor here, "Yes but what about if you take capital and current together? What if you take capital and current together?" Well of course that's what we always do. That's what this chart does, takes capital and current together. And I want to give you a few figures. And let me mention one thing, Madam Speaker, that even with the program that we're talking about and the amount of money that was given to the government, that as I read this, the '63 Report, that more than \$1,100,000 was left unexpended even, left more than \$1,100,000, and the vast majority of it was from the Highways Branch. And just while the Report itself was saying that they didn't have enough staff in the administrative section of the Highways to do the research that they said they should be doing, just at the time that they said they didn't have enough staff, there was \$1,000 a day of every day of the year including Sundays left unexpended in that appropriation.

Well, what about the figure? In 1963, the last Report that we have, it showed that on Highways, the road program of this government that my honourable friends are so proud of was \$29,900,000 odd, and I won't give the odd figures -- \$29.9 million and if you look at the table on page 55, the chart, you'll see that it's already down considerably from where it had been two years earlier, but look over here to the year '57-58 and you'll see that at that time it was equally high, and my honourable friends know that it's down a little bit this year again. So that we were spending in our last year as much money as the government spent a year ago and this present program is smaller yet according to the appropriations that we voted. So that all of this talk of my honourable friends about the great road program that they've got, is as my honourable friend said last evening, just a lot of propaganda. True, for a while they made a great splurge, a great splurge in the first year that they were in. It has dwindled off steadily ever since.

But there's another point to this matter, Madam Speaker, and that is, what proportion of the money that you're getting, what proportion of the public expenditure is going toward your highway program and how much of the money, of the taxes that are raised by those revenues directly related to roads, how much of that are you spending, and without going into too much detail let me tell you this, that in 1963 this government spent, the year ending March 31st, 1963, this government spent \$29.9 million in the road program. The road revenue that they received from just the four main sources, gasoline tax, tax on motor fuel, auto and driver licences and motor carrier licences and fees, amounted to more than \$31 million. They're not even spending the money that they get from the road tax. And what was the situation in the last year that we were in office? Now, Madam Speaker, I'm not trying to say that this applied for all the years that we were in office. Of course it didn't. Especially in the war years we were making much more in revenues than we were spending on roads, and it was some time, I agree, before we got up to full expenditures. But in the later years we were

(Mr. Campbell cont'd) spending much more, millions of dollars more on the road program than we were spending on -- we were spending millions of dollars more on the road program than we were collecting in those taxes, and I'm taking the same taxes. In the year ending March 31, 1958, and I'm not taking the next year even though we put the estimates in for that year. I'm not considering that one because that year we had only three months in office and the present government had the rest of the time. I'm taking the last year when we both put the estimates in and made the expenditures, and ours was more than \$29 million, just on a par with what they had this past year, and what were the receipts of the same four taxes then -- gas tax, motor fuel, auto licences, motor carriers? Less than \$20 million. Nine million dollars more expended on roads than came out of those revenue taxes, and how does that compare with the present government?

Now there are lots more that could be said about this, but one of the things that I mustn't forget to mention, Madam Speaker, one of the things that I shouldn't forget to mention, Madam Speaker, is that the Honourable the First Minister of this province, when he was on this side of the House and when he was getting ready to run for the leadership of the Conservative Party -- and in those days the Conservative Party was at least a little bit conservative -- and my honourable friend was wanting to show that he was conservative, and so he was being what he considered quite responsible in financial matters, and what did he say in addition to warning us about how quickly we were running into debt and saying that we should be very, very careful; in addition to that he suggested that \$1 million should be taken off of our road program, and the road program at the time he was suggesting this was something in the nature of \$16 million. So when my honourable friend the First Minister or anybody over there tries to tell us, as they have done on many occasions, that the road program had not been up to the standard before they came in that it has been -- I of course admit that they made a big splurge in the election year and for a year thereafter, but don't forget that if we had taken the advice of the honourable member who is now the First Minister of this province, it would have been considerably less than it was that we were spending, because he wanted us to take a million dollars off of the program.

Well, perhaps enough of that subject for the time being, and I regret that my honourable friends who were so interested in this last night have had their interest dissipated so quickly.

Now I would like also to take the opportunity to say a word or two to the government and here I'm not going to expend very much time because I'm simply repeating what the Honourable Leader of the New Democratic Party pointed out the other day, and that is the position of Manitoba's economy. When my honourable friend who is now leading the House and the honourable gentleman who usually leads the House, the First Minister, when they were on this side of the House, many and many were the orations that they delivered from here telling us about how Manitoba was falling behind the rest of the provinces. Manitoba was not keeping up to the Canadian average, and they would present reams of figures in order to show this, and the percentage our provincial GNP compared to the Canadian GNP, and the percentage growth in it, and the per capita income in Manitoba compared to the per capita income average in Canada, and the comparison with the other provinces were always matters where my honourable friend the Minister of Industry and Commerce regaled us from this side of the House time and time again, and we were falling behind because we weren't up to the Canadian average, we weren't up in the upper half of the provinces and so on. And what do we find now? That after the things had been put into effect that he was so sure was going to improve the economy, after the deeds had been done in which he insisted that we were so remiss in not having initiated these many schemes of his -- and I won't take the time to refer to them -- after this has been done the figures put upon the Hansard of the House the other day by my honourable friends are very, very interesting. Canada's GNP rose -- and this is the year 1963 over 1962 -- 6.6 percent; the per capita GNP of Canada by 4.8 percent; and then we get the per capita income, the average per capita income in Canada and the different provinces rose in Canada as a whole on the average 4.5. Then my honourable friend was very pleased of course to report -- he had reason to be -- that Saskatchewan topped the list with an 11.9 percentage increase, and I'm sure that he is aware, as all of us are, that the big crop in Saskatchewan last year had a great deal to do with it, and before anybody says to me that oh yes, but it isn't all sold yet, yet the

(Mr. Campbell cont'd) . . . way these figures are calculated I understand that it takes into account the sales that will be realized from that particular crop year, so we can understand Saskatchewan being up so greatly now in that particular year and I compliment him on that time, and I guess that he wouldn't agree with me that Saskatchewan is going to go ahead much faster from now on than it did in the past, but you can certainly see what has happened out there.

Then -- I won't go through them all, but Yukon and the Northwest Territories were the next in line with a 6.1 percentage average, Newfoundland 5.1, Ontario 4.7, and so on down to Alberta 3.7, and where's Manitoba? Absolutely at the bottom of the list as my honourable friend mentioned. Absolutely at the bottom of the list with a minus position as a matter of fact.

Then my honourable friend also put on the record the situation with regard to personal income. This is another one that my honourable friend the Minister of Industry and Commerce and the honourable gentleman who is now the First Minister used to point out to us that the real reason that we needed them in office was because of the fact that we were not keeping up to the other provinces. Keeping up, did they say? Look what we're doing now. Personal income, Saskatchewan up 12.2, Newfoundland 7.6, B. C. 6.6, Ontario, Alberta, Newfoundland, Quebec 6.1, Prince Edward Island, New Brunswick, Nova Scotia -- you can guess how many provinces I've enumerated, provinces and territories -- Manitoba the bottom of the list 1.2. Well what is the explanation of my honourable friend now? Is he so sure, is he so sure that these are the proper indices? And I'm not unaware of the fact, I'm sure, that just as Saskatchewan had a very good crop in 1963, we in Manitoba in the east half of it had a poor crop, and I would remind you that the ultimate disposition of this crop is taken into account in arranging these figures. I know there is that situation but my honourable friend the Minister of Industry and Commerce didn't give us any credit for situations of that kind. We were to blame; the government was to blame. If the figures that he produced had been anything like this there certainly would have been some great screaming from this side.

Then I think the Honourable Minister of Industry and Commerce would not disagree with me if I said that the statistician of whom he himself is a distinguished example would suggest that perhaps the population figure is maybe the most important of all. Would my honourable friend agree with that?

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): . . . for what purpose?

MR. CAMPBELL: In indicating the progress of the economy.

MR. EVANS: I wouldn't make any comments on that statement.

MR. CAMPBELL: Pardon?

MR. EVANS: I won't make any comment on that statement.

MR. CAMPBELL: Well, I just wanted to call my honourable friend's attention to the Free Press report of August 18th this year, which records the fact that the population of Canada is now more than 19 million and it's an increase of 344,000 in one year, and among the provinces the largest numerical gain, as we would expect, was Ontario; as we would expect Quebec was next and as we would expect British Columbia was next on a numerical gain, but when we come to the percentages it's a little bit different. Then B. C. had the biggest percentage gain, Ontario was second, Newfoundland was third with 1.9 increase. But when we come to the numerical increases we find that Alberta had 25,000, Saskatchewan 10,000 and Manitoba 8,000. Now here's Manitoba that was catching up to Saskatchewan for many years -- Manitoba under different administration -- catching up to Saskatchewan for many years and finally caught it, but what's happening now? -- (Interjection) -- That made it all the more important and it rather points up the fact that likely lots of people were leaving Saskatchewan under those circumstances. -- (Interjection) -- I would think that would help.

Here is Manitoba now, only 8,000 gain as compared to 10,000 in Saskatchewan. The figures are now reversed. I ask my honourable friend the Minister of Industry and Commerce to explain this. So we get some percentage increases. Quebec and Alberta both 1.8, Saskatchewan 1.1 and Manitoba .8. In this case Manitoba is not the bottom because New Brunswick and Nova Scotia are lower. But I ask my honourable friend who used to tell us about these matters to comment on this -- to comment on it particularly, Madam Speaker, in view of the remarks that he made back in 1958 when he said this: "Last year I pointed out a number of respects in which our province" -- this is the Honourable the Minister of Industry and Commerce

(Mr. Campbell cont'd) speaking in the debate back in 1958, March 27th; I don't think -- yes it's on the budget speech -- "Last year I pointed out a number of respects in which our province had been allowed to fall behind. Our province has been allowed to fall behind the average of Canada. I referred to the net value of production, showed it was almost one third per person behind the average in Canada, and I regret to have to report that this year the figures come just to hand report that we've fallen still further behind. The standard of living as measured by the retail sales and by what people are able to buy in stores is still behind the Canadian average and the population increase in Manitoba is slower than in the rest of Canada. And the reason that I made the statement I did before, Madam Speaker, becomes evident now because here is the statement. This is probably the most significant of all indices for this reason, that it reflects the balance of judgment of the people as to whether Manitoba is the best place to come and settle or not, or the best place to remain after they have finished their schooling, and the balance of judgment is against Manitoba and in favour of other parts of Canada for that reason. The population increase also is important for the very practical reason that some of our tax rental payments from the Federal Government depend upon that."

Then he says, "In the last year it's with regret also that I have to report that we have fallen still further behind the Canadian average. The increase in Manitoba's population in comparison with 1956 was about 10,000 people." Ha, ha -- 10,000 people, "or one and two tenths, 1.2, one and two tenths of one percent, whereas the average of the Canadian population went up 3.6 percent as compared on the basis of 1956, a rate of three times faster than the Manitoba rate."

Now, the honourable gentleman says this is one of the most, probably the most significant of all the indices. We were 10,000 then in gain, we're 8,000 now. We were 1.2 percentage gain then, we're .8 percentage now. What does my honourable friend have to say about this situation?

In connection with this percentage figure and the population study in general I took off a few more figures. I wanted to see how this government that prides itself on its administration was getting along in the number of people that it employed to run the business of this province, even though the economy is not going ahead, and I found out, and I won't burden the House with the details but I have them here before me -- if anyone wants me to give the details at the end of my talk I'd be very glad to do it. The very best figures that I can get on the Civil Service of this province, and this is the inner Civil Service, the one that we deal with in the estimates here, was that when our government went out of office we had something in round figures 3,600 civil servants. You know what that figure is now, Madam Speaker, as given to us at the last session by the government themselves -- 6,008, and if my figures are reasonably good at all that's something like a 63 percent increase in the civil servants that it's taking to run this province.

And I would like my honourable friend the Minister of Agriculture and Conservation, who considers himself to be an intellectual athlete -- or so I understood the other evening and thought he could take some intellectual gymnastics -- I'd like him to figure out for me that if you've got the population increase going up by .8 percent per year and the Civil Service going up at the rate of 63 percent in a little more than five years, let us say 12 percent per year, I'd like him to figure out for me how long it will take if this government stayed in office until all the people in the province would be working for the Government of Manitoba. My honourable friend the Minister of Industry and Commerce who is so interested in population figures and statistics should take some concern about this matter as well.

One other thing that I wanted to touch on, Madam Speaker, was that I wanted to read to this House, because this has a bearing on the business of the Province of Manitoba and on the tax situation and the debt situation -- I wanted to comment on something that the Honourable the First Minister said as reported in the same speech that my Honourable Leader quoted from yesterday I believe it was. My honourable friend the First Minister, when he was running an election campaign, took the occasion to come right to my home town of Portage la Prairie to say some things about me and about the kind of advice that I was giving the government of that day. This is from a transcript of the same speech that my Honourable Leader referred to, I believe it was yesterday: Duff Roblin election speech May 11th, 1959 and it was in Portage la Prairie. And I want to ask the Honourable the First Minister now -- and I'm sorry

(Mr. Campbell cont'd) he isn't in his seat because I always enjoy talking to him in this way. I've been waiting some time to discuss this speech with him because of the fact that he did me the compliment to present it right in Portage la Prairie, and I simply haven't got the time to read a lot of it but I certainly will endeavour to not take it out of context and anyone can come and see the script. I'd be glad to show it to them. Mr. Roblin was telling the people there what I had been saying about what would happen to the Province of Manitoba in debt in the way that they were going, and he said that I said, that I was quoted up in Roblin, Manitoba -- there was an election going on at this time as you can guess -- he said that I was quoted in speaking in the Town of Roblin as saying that the public debt of the Province of Manitoba, the gross debt would soon be \$20 million -- not the debt, the interest on the debt would soon be \$20 million, and he said -- here are his words: "While I can hardly credit this, that the same time reported by a reputable newspaper that Mr. Campbell, speaking in Roblin, raised the ante to \$20 million interest that were piling up on the backs of the taxpayers of the Province of Manitoba."

Well my friends the facts are here. He goes on to tell us just what the facts are and he scoffs at this suggestion that we would ever be paying \$20 million. He pictures me as a Jeremiah who is saying things of this kind and here we are and its the gross debt figure that he's quoting because he says here "we pay interest on the public debt" -- and here it is -- "the amount of interest that we are being asked to pay on the public debt of Manitoba in the year to come comes to the grant total of \$9,684,423 and that's a lot of money. That's the money that we pay out to the bond holders of the Province of Manitoba who hold our debt, the charge that is registered here in these estimates. But fortunately for the people of Manitoba it isn't all paying out. Some of it is paying in because the purposes for which this money was borrowed and other resources that are open to us pay the government of Manitoba interest"-- and he goes on to show that we collect interest back. He says that "our interest income in total is \$9,676,000-odd, and if you subtract that from what we have to pay out, the difference is \$7,827," and you remember that figure being shown in that election campaign. That was the interest.

MADAM SPEAKER: May I remind the Honourable Member that he has five minutes left in his time.

MR. CAMPBELL: Thank you very much, Madam Speaker, I think that will be enough to deal with my honourable friend the First Minister and I'm sorry he's not here.

He says, "Mr. Campbell says it's going to be \$20 million." But he says the actual burden is just \$7,827.00. Now I want you folks please to take a look at your estimates, your last estimates when you go home or at the dinner interval. Take a look at them. The figure that is exactly comparable to the \$9 million-odd that Mr. Roblin quoted there is now \$19,099,000-odd. It's not very far from the \$20 million that I was talking about, and it's taken from 1958, just six years from the time we were considering those estimates, to get there. So that I wasn't far out and it didn't take long. I hadn't put a time limit on it; I would have hardly expected it would be that fast; but look at your figures. The one that I'm quoting is exactly comparable to that \$19 million-odd that now appears as the gross estimate.

But I want to say something else and I can't give the details of this now. If you take what we had as a gross figure and what is the gross figure now, the increase is \$11 million-odd. It's now 237 percent of what it was in 1959; but if you take the public debt interest, figuring the way the Honourable the First Minister did, and check it with what is paid now, it's now 430 percent of what it was in 1939; and if you take the 7,827 figure that he gave and was very proud of and if you compare that with the same figure exactly in there now, you'll find that the figure instead of \$7,827 is more than \$4,700,000.00. It's a net increase of \$4,600,000-odd. It's now 600 times what it was in 1959, and if my arithmetic is right, and again I appeal to the Honourable Minister of Agriculture to help me out, I think that is 60,000 percent of what it was at that time.

Then I must put on the record the figure of the gross debt. The gross debt was something in the neighbourhood of \$278 million in 1959, that's the year ending March 31st, 1959. The last figure that the Honourable the First Minister gave us, and I think this does take us right to the end of December, 1963, \$677 million, and I suppose it's right in the neighbourhood of \$700 million now.

(Mr. Campbell cont'd)

But I want to end by mentioning one other matter in this speech of the honourable member. He says as well, after telling them what wild calculations I had been making and how ridiculous they were, he said, "I think that represents" -- this as the \$7, 827 -- "I think that represents an interest and a bond and a borrowing situation that we can be satisfied with, and when they didn't tell you about that they didn't tell you something else, and that is during the last fiscal year we retired \$20 million of Mr. Campbell's debt. We paid off, the government of this province, in the past fiscal year almost \$20 million of Mr. Campbell's debt. So when they talk to you about all these matters, I say let us not be deceived." Madam Speaker, did you ever hear of any quotation more calculated to deceive than that one that my honourable friend gave on that occasion? "Let us not be deceived," he said, "we paid off \$20 million of Mr. Campbell's debt."

How was that \$20 million paid off? Nobody knows better than my honourable friend does that the very large portion, almost 100 percent of it had been paid off by funds that were accumulated in the sinking funds and the debt retirement funds in order to pay off debts, and yet he led the people of Portage la Prairie -- and I'm delighted to see that he's there -- my honourable friend the First Minister led the people of Portage la Prairie to believe that in their first year of office they had paid off \$20 million of Mr. Campbell's debts and he said, "Let us not be deceived."

I'm afraid that the people of Portage la Prairie, some of them were deceived because the people of Portage la Prairie, intelligent though they are, are not familiar with government financing and bookkeeping, and the statement by the man who is the First Minister of the province, right up in front of them, "we have paid off \$20 million of Mr. Campbell's debt." That's calculated to get some attention and my honourable friend was deceiving them when he said it and he knew it -- and I'm finished.

MR. ROBLIN: If my honourable friend is finished, Madam Speaker, I could commence now, but perhaps if we adjourned at the moment I could commence tonight, but I'm just as happy to speak now and wait until the time runs out.

In the first place, I can't tell you how refreshing it is to have an opportunity to get my little word in edgeways here because we have been listening over the past few days, as is right and proper, to the observations of members of the House, and mainly members of the Opposition, with respect to the government's tax policies and with respect to its approach to the Michener Report.

Now contrary to the commonly received opinions, I for one, and I think the government as a whole, pays attention to those speeches. We pay attention to those speeches because we are perfectly well aware that we do not possess all the wisdom in the world in connection with the policies and matters that we have to consider. We know very well that we're human and we know very well that in the measures we propose it is quite likely, particularly when we're embarking on new projects of various kinds, and some of these tax measures are new -- well only two of the whole lot -- we know that when we embark on them that there may be problems and difficulties which will only be discovered by experience.

That is why we listen carefully to what we have heard. That is why I pay particular attention to the address of the Honourable Member from St. John's and also the address of the Honourable Member for Selkirk, because I thought that both of those gentlemen, different from some of the others who have spoken in this debate, were attempting to present us with some constructive criticism. I am sure that in connection with this land tax of which they have spoken that there may well be problems which we will have to examine and I have half my staff, who naturally are the people who have to deal with these particular matters, to take note of the points that have been raised so that as opportunity arises we may be able to deal with them.

I think from what I have heard that most of the points that have been raised in this connection can be overcome in the administrative operations that we undertake in tax measures, indeed are provided for, and that some of the fears and problems that are raised will in the event prove to be illusory. For example, my honourable friend from Selkirk was speaking about the power of the Lieutenant-Governor-in-Council to deal with these tax matters and said that if it was only for reductions he wouldn't mind. Well I am informed that that is the

(Mr. Roblin cont'd) particular purpose of that section in the statute by those who draft these matters and whose responsibility it is to administer the law.

I want to assure those who feel that any of these measures will be imposed in a harsh or inequitable or arbitrary manner, that that is not what we propose to do, that we propose to give as much notice as we possibly can to the general public in connection with this land tax or any other matter that may be raised so that when the time comes for those measures to be proclaimed, no one will be able to complain that we have been arbitrary or in any way acted precipitously or in such a way as to prevent them from having an opportunity of protecting their interests under the matter. So we must face the fact that these taxes must be administered in a fashion that is as equitable and as fair, all things considered, as we can possibly devise, and I want to assure members of the House that that is the manner in which we will approach these particular problems.

Now there were a great many speeches raised -- spoken about. I am not going to respond to the blandishments of the Honourable Member for Ethelbert Plains and the fulsome flattery that he showered upon me in his address because I feel that he may have somewhat overstated the case insofar as my virtues are concerned, and it may just be possible that he has overstated the case insofar as my defects are concerned, because virtues and defects I may have, but I do not believe that either are really as obvious as my honourable friend points out. So I shall not really attempt to deal with all the wide variety of matters that have been placed before the House in connection with these tax matters because it cannot be done in the length of a reasonable speech here.

But I do wish to deal in some considerable detail with what I think to have been the main observations made in the course of this debate, and it will come as no surprise if I say that in my opinion the man who followed me in the discussion, the Leader of the Opposition, the Honourable Member for Ste. Rose, is the man whose speech I want to subject to some scrutiny, and it might be that in the course of these remarks some of the things I may say will have a wider application than to him alone.

I was interested the other day when my friend the Honourable Minister of Mines and Resources spoke of my honourable friend as "trotting out his old bag of bones," for by the Lord Harry, if there ever was a description of his speech on this occasion the other night, it was a re-hash -- if you can re-hash old bones, he did it -- because he presented to us some of the shop-worn and fallacious propositions which he has placed before this House on more than one occasion. He trotted out information which he must surely know is far from completely accurate and far from telling the full story of the events in question, and yet he draws implications and inferences from that which I do not think can possibly be justified by any fair-minded review of the facts concerned, and I hope to be able to discuss those points and to indicate why I make a statement like that.

But the thing that attracted me about his speech was that first positive statement that he made. He started off with a few negative ones but he made a positive statement, and he said "The financial record" -- or words to this effect -- "The financial structure, the financial record of the previous administration to the present one was the envy" -- the envy, Madam Speaker -- "of the whole of Canada."

Well I want to say that if that remark is true, and I challenge it, that's the only thing about the record of my honourable friend's government that was the envy of the whole of Canada, because in this province what did the voters say? Did they regard the record of the honourable gentleman opposite when they were in office as being the envy of the whole of Canada? It wasn't even the envy of the whole of Manitoba. In fact, Madam Speaker, they got the boot didn't they, and they got the boot on three subsequent elections. I don't know what will happen in the next election in this province; I never care to prophesy what the voters of Manitoba will do; but I want to say that in my opinion the record of their past years and the propositions which they are placing before the people of Manitoba today will no more commend themselves in '66 or whenever it is than they have in the time gone past, because if there ever was a sterile, negative, nay-say approach to the policies of government -- why should I say it -- my honourable friend the Leader of the NDP said it pretty well the other night. The whole situation was exposed by him in connection with it. He appears to justify everything, my honourable friend from Lakeside and my honourable friend from Ste. Rose appear to justify everything and to

(Mr. Roblin cont'd) examine everything from one standpoint and that is in connection with taxation, the one side of the coin -- and my honourable friend from Lakeside continues to nod his head -- it shows he hasn't learned a thing or changed in the six years he has been sitting there. They look at the one side of the coin, taxation.

MR. PAULLEY: Madam Speaker, I hate to interrupt my honourable friend, I know he's going good. I'd like to know, Madam Speaker, in all due deference if the Honourable First Minister is going to go for a considerable period of time whether we should observe the rules of the House, Madam Speaker, and allow my honourable friend to cool off over the supper period; or maybe, Madam Speaker, to do what someone in this House accused others of doing, practising their speech before a mirror in order to make it more effective this evening. Now I wonder, Madam Speaker, which it is going to be?

MR. ROBLIN: Madam Speaker, I think my friend has probably made an excellent suggestion that we should have a little break now for the dinner hour and that we should resume our discussion later on. I'm sure that I will be in just as good voice at 8 o'clock as I am now. So I will move, Madam Speaker, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn until this evening.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 8:00 o'clock, Wednesday evening.